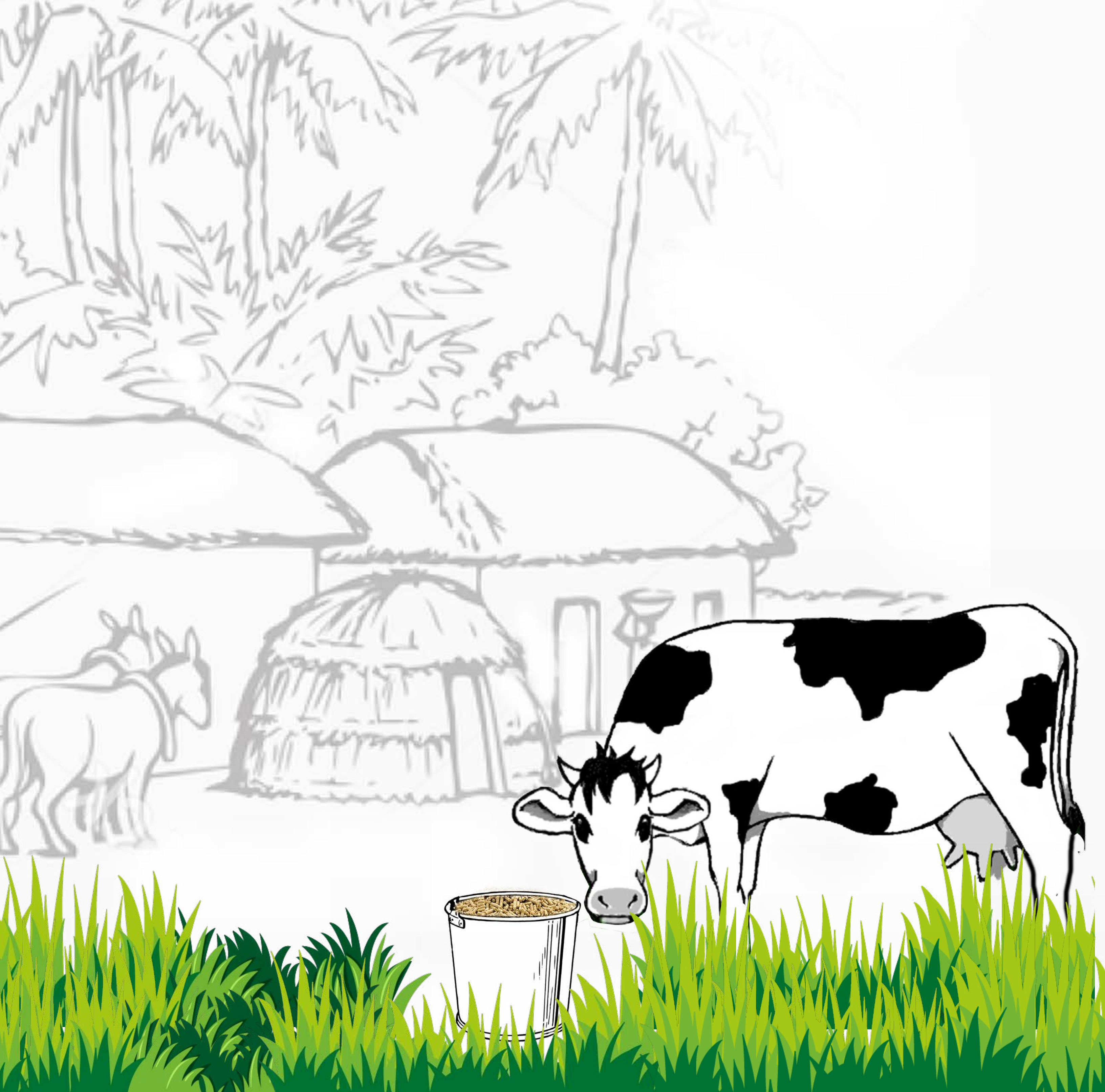
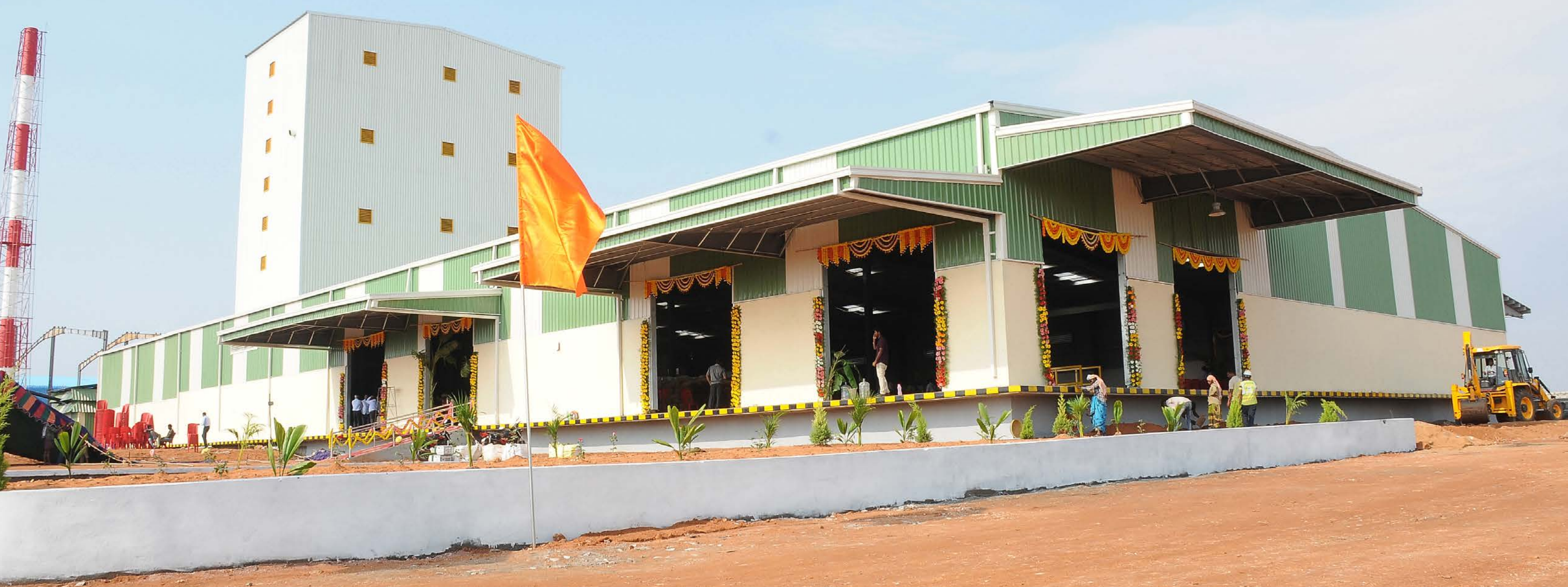
Heritage Nutrivet Limited

13th Annual Report 2020-21





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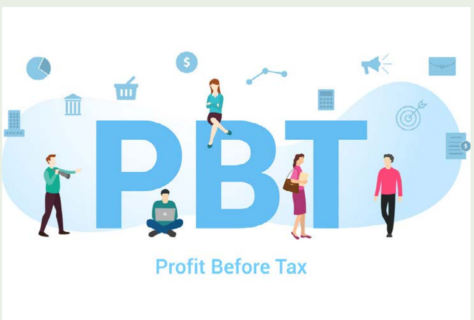
FINANCIAL PARAMATER

₹ in Million

Turnover

FY 17-18	674.26
FY 18-19	737.61
FY 19-20	1,038.54
FY 20-21	1,215.26



PBT

FY 17-18	(3.05)
FY 18-19	3.68
FY 19-20	7.04
FY 20-21	97.58

Networth

FY 17-18	162.58
FY 18-19	228.79
FY 19-20	311.05
FY 20-21	384.41

Fixed Asset

FY 17-18	167.47
FY 18-19	413.67
FY 19-20	425.55
FY 20-21	418.53

CORPORATE INFORMATION

Board of Directors

Mrs. N. Brahmani (DIN: 02338940)	-	Managing Director
Mr. D. Seetharamaiah (DIN: 00005016)	-	Director (Up to July 01, 2020)
Mrs. N. Bhuvaneswari (DIN: 00003741)	-	Director
Dr. M. Sambasiva Rao (DIN: 01887410)	-	Director
Mrs. Aparna Surabhi (DIN: 01641633)	-	Non-Executive Independent Woman Director (W.e.f. 21/05/2020)
Mr. Rajesh Thakur Ahuja (DIN: 00371406)	-	Non-Executive Independent Director (W.e.f. 24/07/2020)

Board Committees:

Audit Committee

Smt. Aparna Surabhi, Chairperson

Sri. Rajesh Thakur Ahuja, Member

Smt. N. Bhuvaneswari, Member

Nomination & Remuneration Committee

Sri. Rajesh Thakur Ahuja, Chairperson

Smt. Aparna Surabhi, Member

Dr. M. Sambasiva Rao, Member

Statutory Auditors

M/s. Walker Chandiok & Co LLP,
7th Floor, Block III, White House,
Kundan Bagh, Begumpet,
Hyderabad – 500016

Registrar and Share Transfer Agents:

Kfin Technologies Private Limited
CIN: U72400TG2017PTC117649
Karvy Selenium Tower B,
Plot No. 31 & 32, Financial District,
Gachibowli, Hyderabad 500 032, Telangana

Bankers

Kotak Mahindra Bank
Somajiguda Branch,
Hyderabad, Telangana

State Bank of India
Punjagutta Branch
Hyderabad, Telangana

Union Bank of India
Gagan Mahal Road Branch
Hyderabad, Telangana

Registered Office

#6-3-541/C, 4^{th} Floor
Panjagutta, Hyderabad-500082,
CIN : U15400TG2008PLC062054
Phone No. +91-40-23391221/2

Plant 1
Hindupur
APIIC Industrial Estate Gollapuram,
Hindupur, Ananthapur (Dist),
Andhra Pradesh

Plant 2
Mallavalli
APIIC Industrial Park, Mallavalli (V),
Bapulapadu (M), Krishna (Dist),
Andhra Pradesh

NOTICE

NOTICE is hereby given that the Thirteenth (13th) Annual General Meeting (AGM) of the members of Heritage Nutrivet Limited will be held on Friday, July 23, 2021 at 11:30 a.m. (IST) through Video Conferencing ("VC")/ Other Audio-Visual Means ("OAVM") to transact the following business(es):

ORDINARY BUSINESS

1. **To receive, consider and adopt:**

   The Audited Financial Statements of the Company for the Financial Year ended March 31, 2021, the Reports of the Board of Directors and Auditors' thereon and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolutions as an Ordinary Resolutions:

   "RESOLVED THAT the audited financial statement of the Company for the financial year ended March 31, 2021 and the reports of the Board of Directors and Auditors thereon, as circulated to the members be and are hereby considered and adopted.**"**

2. **Re-appointment of Director Retairing by Rotation:**

   To appoint a Director in place of Smt. N Bhuvaneswari (DIN: 00003741), who retires by rotation and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

   "**RESOLVED THAT** in accordance with the provisions of Section 152(6) of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and other applicable provisions of the Companies Act, 2013, Smt. N Bhuvaneswari (DIN: 00003741), Non-Executive Director, who retires by rotation at this meeting and being eligible, offers herself for re-appointment, be and is hereby appointed as a Director of the Company."

Registered Office:

#6-3-541/C, 4th floor
Panjagutta, Hyderabad – 500 082
Telangana, India
CIN: U15400TG2008PLC062054
Tel: +91-40-23391221/2
Fax: +91-40-23318090

Place: Hyderabad
Date: 12th May, 2021

By Order of the Board
For **HERITAGE NUTRIVET LIMITED**

N. BRAHMANI
Managing Director
DIN: 02338940

Notes:

1. Considering the present Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular no: 02/2021 dated January 13, 2021 and Circular no. 20/2020 May 5, 2020 read together with all related circulars issued by MCA permitting to convene the Annual General Meeting ("AGM" / "Meeting") through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM"), without the physical presence of the members at a common venue. In accordance with the MCA Circulars, provisions of the Companies Act, 2013 ('the Act'), the AGM of the Company is being held through VC / OAVM. The deemed venue for the AGM shall be the Registered Office of the Company.
2. Generally, a member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself/ herself and the proxy need not be a member of the Company. Since, this AGM is being held through VC / OAVM pursuant to the MCA Circulars, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for the AGM and hence, the Proxy Form and Attendance Slip are not annexed hereto.
3. Since, the AGM will be held through VC/ OAVM, the route map of the venue of the Meeting is not annexed hereto.
4. In terms of the provisions of Section 152(6) of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and as recommended by the Board of Directors of the Company, Smt. N Bhuvaneswari (DIN: 00003741), Non-Executive Director, liable to retire by rotation at the Meeting hereby appointed as a Director of the Company.
5. Pursuant to Section 160 of the Companies Act, 2013 and Secretarial Standards on General Meetings (SS- 2), details in respect of Directors seeking appointment / reappointment of Directorship at 13th AGM of the Company to be held on Friday, July 23, 2021 are provided in Annexure-I of this Notice.
6. In compliance with the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended), SS-2 (Secretarial Standard on General Meeting) issued by the Institute of Company Secretaries of India ("ICSI") and the provisions of the Ministry of Corporate Affairs Circulars and any amendments thereto, the Company is providing remote e-Voting facility to its Members in respect of the business to be transacted at the AGM and facility for those Members participating in the AGM to cast their vote through Remote e-Voting.
7. Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant Rules made there under, Companies can serve Annual Reports and other communications through electronic mode to those members who have registered their e-mail address either with the Company or with the Depository. Those members who have not registered there email id's are requested to register as soon as possible. Those members, who desire to receive notice / documents through e-mail, are requested to communicate their e-mail ID and changes thereto from time to time to his/ her Depository Participant / the Company's Registrar & Share Transfer Agent as the case may be.
8. M/s. Walker Chandiok & Co LLP, Chartered Accountants (FRN 001076N/500013) was appointed as Statutory Auditor of the Company at the Extra-ordinary General Meeting held on October 31, 2017 to hold office till the conclusion of the 14th Annual General Meeting of the Company to be held in the Year 2022.

   Pursuant to notification no: G.S.R 432(E) issued by the Ministry of Corporate Affairs on 7th May, 2018 amending Section 139 of the Companies Act, 2013 and the Rules framed there under, the mandatory requirement for ratification of appointment of Statutory Auditor by the members at the every Annual General Meeting (AGM) has been omitted and hence the Board is not proposing to the members for ratification of appointment of Statutory Auditors at this AGM. The Board of Directors are empowered to fix the remuneration of the Statutory Auditor on yearly basis.

Registered Office:

#6-3-541/C, 4th floor
Panjagutta, Hyderabad – 500 082
Telangana, India
CIN: U15400TG2008PLC062054
Tel: +91-40-23391221/2

Place: Hyderabad
Date: 12th May, 2021

By Order of the Board
For **HERITAGE NUTRIVET LIMITED**

N. BRAHMANI
Managing Director
DIN: 02338940

Annexure-I

A Brief resume of Smt. N. Bhuvaneswari:

Name of the Director	Smt. N. Bhuvaneswari
Director Identification Number	00003741
Date of Birth	20/06/1962
Nationality	Indian
Profile / Qualifications & Experience	A B.A. Graduate and a Director for several companies. She is a dynamic leader, who has extensive experience in business and has been successfully steering the Companies towards growth and better prospects.
Terms and Conditions of Appointment/ Re-appointment	As per the Appointment Letter
Remuneration Proposed to be paid	She Will be entitled to sitting fees and reimbursement of actual conveyance, travelling and other expenses for attending each Board and Committee Meetings of the Company as approved by the Board of Directors of the Company.
List of Directorships held in other companies	1. Heritage Foods Limited 2. Heritage Finlease Limited 3. Megabid Finance & Investment Pvt Ltd 4. Nirvana Holdings Private Ltd
Chairman/Member of the Committees of the Boards of other companies in which she is a Director	**Heritage Foods Limited:** Stakeholders Relationship Committee – Member Corporate Social Responsibility Committee – Member Risk Management Committee - Member Management Committee - Member
Shareholding in the Company	100 (Holding on behalf of Heritage Foods Limited)
Relationship with Other Directors, Manager and other Key Managerial Personnel of the Company.	Not related to any Director, Manager and Key Managerial Personnel of the Company except Smt. N. Brahmani, Managing Director of the Company,

Registered Office:

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Place: Hyderabad
Date: 12th May, 2021

By Order of the Board
For **HERITAGE NUTRIVET LIMITED**

N. BRAHMANI
Managing Director
DIN: 02338940

BOARD'S REPORT

Dear Members,

Your Directors have pleasure in presenting the Thirteenth (13th) Annual Report of the Company together with the Audited Financial Statements of the Company for the financial year ended March 31, 2021.

Financial Results

During the year under review, performance of your company as under:

(₹ In Million)

Particulars	Year ended 31st March 2021	Year ended 31st March 2020
Turnover	**1215.26**	**1038.54**
Profit/ (Loss) before tax	97.61	7.03
Tax expense Reversal of taxes of earlier years	-	-
Current tax expense	16.03	.89
Deferred tax benefit	9.46	(.59)
Profit/ (loss) for the year	**72.12**	**6.73**

State of Company's affairs and future outlook

Your Company is involved in the process of manufacturing, processing, trading and exporting of animal feed supplements and nutrition's, i.e. Cattle feed and fish feed and offers a wide range of nutritional solutions for milch animals. Your Company have a deep understanding of nutrient values that help the farmers to make optimal use of the raw materials and forages that are available in their region. In a little span of time, the Company shows it's stand in the market and deliver the animal nutrition's and supplements regularly to its valuable customers.

Due to the pandemic situation of COVID-19, the demand for basic food or essentials has been on the rise. Despite the strong demand for dairy and aquaculture products amidst the coronavirus pandemic, the supply chain has witnessed a host of disruptions, which was stopping us from providing our products to our consumers. your Company supply chain focused on keeping employees and consumers safe while still provided services, Nutrition's and animal/Aqua feed products. Despite various challenges and hindrances faced by the company, during Covid-19 pandemic, your Company produced animal nutrition and supplements for cattle's and Aquaculture as these are considered as essential products under Essential Commodities Act, 1955 and as per the Government of India directives Essential production produced Company was in operation during the COVID period.

You Company is one of the leading Live Stock Feed & Feed Supplements players in Southern and Western India, covering over 3 lakh farmers spread across five states viz., Andhra Pradesh, Telangana, Tamil Nadu, Karnataka and Maharashtra. The animal feed industry in India is largely unorganized and your Company is competing with multiple players in each geography in which it operates. Its strategy for its animal feed business is to focus on achieving cost leadership by improving the operational efficiency of its animal feed business through R&D as well as cost rationalization initiatives.

During the year under review, the Company earned total income of Rs. 1218.56 Millions and expenses of Rs. 1120.95 Millions. The Net Profit/(Loss) after tax was Rs. 72.12 Millions.

Share Capital

The authorised share capital of the Company as on March 31, 2021 was Rs.15,00,00,000/- (Rupees Fifteen crores only) divided into 1,50,00,000 equity shares @ 10/- each and the paid up Equity Share Capital as on March 31, 2021 was Rs.3,71,00,640/- (Rupees Three crores Seventy one Lakhs Six Hundred Forty only) divided into 37,10,064 Equity Shares of @10/- each.

Particulars of Contract or Arrangements made with Related Parties

The particulars of contracts or arrangements with related parties as per the Section 188 of the Companies Act, 2013 entered by the Company during the financial year ended March 31, 2021 in prescribed Form AOC-2, as required to be provided under section 134(3)(h) of the Companies Act, 2013, annexed to this Board's Report (**Annexure-I**). The company being wholly owned subsidiary of Heritage Foods Limited, the provisions of section 188 of the Companies Act, 2013 is not applicable with respect to prior approval of shareholders for selling the products (exceeding 10% of turnover) to its holding company.

Apart from the above there were no materially significant related party transactions held during the period under review with Promoters, Directors, Key Managerial Personnel and their relatives or any other related parties, which may have potential conflict with interest of the company at large. The details of the related party transactions during the year are part of the notes on Accounts forming part of the Annual Report.

Annual Return

The Annual Return as on March 31, 2021 as required under Section 92(3) and Section 134(3)(a) of the Companies Act, 2013, is available on the Company's website https://www.heritagefoods.in/hnl.

Dividend

During the year under review, the Company has not declared any Interim/final Dividend.

Amount transferred to Reserve

Your Directors do not propose to transfer any amount to reserves from the balance in profit and loss account for the financial year ended on March 31, 2021.

Board of Directors

The Board of Directors of the Company is consisting of 5 Directors out of which 2 are Non-executive Independent directors, 2 are Non-Executive Directors and 1 is Executive Director.

Appointment/Re-appointment/Resignation

Pursuant to the provisions of Section 149, 152 and 161 of the Companies Act 2013 read with the rules made thereunder, Smt. Aparna Surabhi (DIN:01641633) and Sri. Rajesh Tahkur Ahuja (DIN: 00371406) has been appointed as Additional Non-Executive Women Independent Directors of the Company respectively w.e.f. May 21, 2020 and July 24, 2020. Subsequently, the members of the Company in the last Annual General Meeting held on 21st August 2020 have approved and Regularised the appointment of both the Directors of the Company.

Late Sri. D. Seetharamaiah, Non-Executive Independent Director of the Company resigned from the Board of Directors with effect from 1st July,2020 and left for heavenly abode on 19th July, 2020, after a brief illness. Late Sri. D. Seetharamaiah was associated with the Company since 2008; the Year in which the Company was incorporated. He was the Director of the Company for more than two decades and the Company immensely benefitted from his vision and leadership. His sad demise is an irreparable loss to the Company. The Board of Directors of the Company express their deep condolences and pay tribute to late Sri. D. Seetharamaiah, a great visionary leader.

In accordance with Articles of Association of the Company and provisions of Section 152(6) and other applicable provisions, if any, of the Companies Act, 2013, read with rules made thereunder, as amended from time to time Smt. N. Bhuvaneswari (DIN: 00003741), Director of the Company who retire by rotation and being eligible, offers herself for re-appointment.

The Board of Directors of the Company met Five (5) times during the financial year 2020-21 on May 21, 2020, July 24, 2020, October 23, 2020, January 19, 2021 and March 24, 2021. The intervening gap between any two meetings was within the period prescribed by the Companies Act, 2013 and Secretarial Standard-1.

Board Committees:

There are two statutory Board Committees as on 31st March, 2021 and the quorum for committee meetings is as per the Companies Act 2013.

Policies:

The Company has adopted the following policies as required under Companies Act, 2013 and other applicable laws, circular and notifications.

Name of the policy	Brief description	Web link
Related Party Transaction Policy	The policy regulates all transactions between the Company and its related parties	https://www.heritagefoods.in/static/downloads/pdf/hnl-policies/related-party-transaction-policy.pdf
Whistleblower Policy (Policy on vigil mechanism)	The Company has adopted the whistleblower mechanism for directors and employees to report concerns about unethical behaviour, actual or suspected fraud, or violation of the Company's code of conduct and ethics. It also provides for adequate safeguards against victimization of employees who availed the mechanism and also provides for direct access to Board of Directors.	https://www.heritagefoods.in/static/downloads/pdf/hnl-policies/whistle-blower-policy.pdf
Nomination and Remuneration Policy	This policy formulates the criteria for determining qualifications, competencies, positive attributes and independence for the appointment of a director (executive / non-executive) and also the criteria for determining the remuneration of the directors and senior management of the Company.	https://www.heritagefoods.in/static/downloads/pdf/hnl-policies/nomination-and-remuneration-policy.pdf

Code of Conduct:

The members of the Board and Senior Management Personnel have affirmed compliance with the Code of Conduct applicable to them during the year ended March 31, 2021. The Annual Report of the Company contains a certificate by the Managing Director, on the compliance declarations received from Independent Directors, Non-Executive Directors and Senior Management. The weblink is https://www.heritagefoods.in/static/downloads/pdf/hnl-policies/code-of-conduct.pdf

Audit Committee:

Chairperson :	Sri. D. Seetharamaiah (Up to 01.07.2020)
	Smt. Aparna Surabhi (w.e.f. 01.07.2020)
Members :	Sri. Rajesh Thakur Ahuja (w.e.f. 24.07.2020)
	Smt. N. Bhuvaneswari (Up to 01.07.2021)

The Meetings of the Audit Committee were held Four(4) times during the financial year 2020-21 on July 24, 2020, October 23, 2020, January 19, 2021 and March 24, 2021. The intervening gap between any two meetings was within the period prescribed by the Companies Act, 2013.

Nomination and Remuneration Committee:

Chairperson:	Sri. Rajesh Thakur Ahuja (w.e.f. 24.07.2020)
Members :	Smt. Aparna Surabhi (Chairperson up to 24.07.2020)
	Sri. D. Seetharamaiah (Up to 01.07.2020)
	Dr. M Sambasiva Rao

The Meeting of the Nomination and Remuneration Committee were held three (3) times during the Financial Year 2020-21 on July 24, 2020, October 23, 2020 and February 1, 2021

As per Section 135 of the Companies Act 2013 the "average net profit" shall be calculated in accordance with the provisions of Section 198 of the Companies Act, 2013. The Board noted that the net profit as per Section 198 of the Companies Act, 2013 was Rs.97.60 million as on 31st March, 2021 and the CSR amount to spend during the FY 2021-22 shall be Rs.0.72 million, being it was less than Rs.5 million, the Board has not recommended to form the CSR Committee during the FY 2021-22. As per Section 135 of the Companies Act, 2013, every company with a net worth of Rs.500 crore or more, or a turnover of over Rs.1,000 crore or a net profit exceeding Rs.5 crore in the immediate preceding financial year shall have a Corporate Social Responsibility Committee. However as per Section 135(9) of Companies Act, 2013, If a Company CSR spend is less than ₹ 50,00,000 (Rupees Fifty Lakhs only), then such Company is not required to constitute a CSR Committee.

Subsidiary/Associate/Joint Venture Companies:

There are no companies which has become or ceased to be subsidiaries or joint ventures or associate companies during the Financial Year 2020-21. However, the Company is the wholly-owned subsidiary of Heritage Foods Limited (CIN: L15209TG1992PLC014332).

Details of Significant and Material Orders passed by the Regulators or Courts or Tribunals:

During the year under review, there were no material and significant orders passed by the regulators or courts or tribunals impacting the going concern status and the Company's operations in future.

Statutory Auditors:

As per Section 139 of the Companies Act, 2013 ('the Act'), read with the Companies (Audit and Auditors) Rules, 2014, the Members of the Company at the Extra Ordinary General Meeting held on 31st October, 2017, approved the appointment of M/s. Walker Chandiok & Co. LLP, Chartered Accountants (FRN 001076N/500013), as the Statutory Auditors of the Company for a term of 5 years till the conclusion of 14th Annual General Meeting of the Company to be held in the year 2022.

The Auditors' Report (UDIN: 21207660AAAACU7242) dated 21 May 2021, obtained from Sri Sanjay Kumar Jain, (Membership No.: 207660) Partner, M/s. Walker Chandiok & Co. LLP, Chartered Accountants (FRN 001076N/500013), is unmodified and it does not contain any qualification, reservation or adverse remark or disclaimer.

Secretarial Auditor:

Smt. Khusboo Laxmi Bhagat (M No: 9376, CP No:14703), Practicing Company Secretary, was appointed to conduct the Secretarial Audit of the Company for the financial year 2020-21 under Section 204 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and any amendment made thereafter. The secretarial audit report (UDIN: F009376C000157953) for financial year 2020-21 has been issued on 22nd April, 2021 by Smt. Khusboo Laxmi Bhagat (M No: 9376, CP No:14703), Practicing Company Secretary, Hyderabad in form MR-3 is provided in the **Annexure-II** of the Board's report.

The Secretarial Auditor's Report is self-explanatory and do not call for any further comments.

The Board has appointed Smt. Khusboo Laxmi Bhagat, (M No: 9376, CP No: 14703), Practicing Company Secretary, as Secretarial Auditor of the Company for the financial year 2021-22 as per the provisions of the Companies Act, 2013.

Cost Auditors

The MCA had notified the Companies (Cost records and Audit) Rules, 2014 and Companies (Cost records and Audit) Amendment Rules, 2014 specifying the Industry/Sector/Product/Service for maintaining and auditing of Cost Records.

As the above Rules were not applicable to your Company, the audit of the Cost Records was not carried out for the Financial Year 2020-21 and the Board of Directors have decided not to appoint Cost Auditors for Financial Year 2021-22.

Particulars of Loans Given, Investments Made, Guarantees Given or Security Provided by the Company:

The Company has duly complied with the provision of Section 186 of the Companies Act, 2013 and it has taken

Secured Loans: Rs. 115.61 million
Unsecured Loans: Rs. NIL
Current/Non- Current Investments: NIL
Guarantees: NIL
Securities Extended: NIL

The Holding Company namely Heritage Foods Limited has given corporate Guarantee of Rs.207.50 million for credit facilities from Banks. The outstanding credit facilities from the Bank as on 31st March, 2021 was Rs.115.61 million.

Material changes & commitments affecting the financial position of the company between the end of financial year and the date of the report:

There are no significant material changes and commitments affecting the financial position of the company, which have occurred between the end of the financial year of the company to which the financial statements relate and the date of this report.

Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo:

The information required pursuant to Section 134(3)(m) of the Companies Act, 2013, Particulars of Conservation of Energy/ Technology absorption, Foreign Earnings: **Annexure-III**

Details in respect of adequacy of Internal Financial Controls with reference to the Financial Statements:

Your Company has adequate internal financial controls commensurate with the size of the business and nature of its operations, designed to provide reasonable assurance with regard to the accuracy and completeness of the accounting records and timely preparation and provision of reliable financial statements. Your Company had appointed CA JSS Sivarama Prasad, Chartered Accountant, Hyderabad for the Financial Year 2020-21 to conduct the IFC testing. The testing report was received by the company with following suggestion, i.e. development comprehensive system of Budgeting, strengthen the areas vendor documentation, speedy recovery of amounts/ debts. controls to be implemented to reduce the risk of eliminating sticky debtors etc.

Internal Auditors

The Company has appointed M/s. K.S. Rao & Co., Chartered Accountants, Hyderabad (FRN: 003109S) as the internal auditor of the Company to review the internal controls and operating systems and procedures as per the scope of the audit. The Internal Audit Reports of the company are reviewed by the Audit Committee. The Internal Auditor sends the quarterly audit observation to the Audit committee of the Board of Director and the same were presented quarterly by the internal auditor of the Company. The Audit Committee along with Statutory Auditors and the management of the Company met the Internal Auditor of the Company once in a year to review the internal control and its adequacy. The Board of Directors on recommendation of the Audit Committee has appointed/re-appointed the Internal Auditor of your Company every year in compliance with Section 138 of the Act read with the Companies (Accounts) Rules, 2014.

The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Policy is gender neutral. During the year under review, no complaints with allegations of sexual harassment were filed. The details are as follows:

Sl no	Particulars	Status of the No. of complaints received and disposed of
1	Number of complaints on sexual harassment received	Nil
2	Number of complaints disposed off during the year	Nil
3	Number of cases pending for more than ninety days	Not Applicable
4	Nature of action taken by the employer or district officer	Not Applicable

Training and Development

As a part of its long-term vision, the Company has consistently invested in employee trainings to enhance learning. This helps the employees undergo skill-based, function-based learning interventions to suit business requirements.

Particulars of Employees

None of the employees have received the remuneration of Rs.1.02 Crore in whole year or Rs.8.50 Lakhs per month employed part of the year as per the provisions of Section 197 of the Companies Act, 2013, read with Rule 5(2) (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

The details of top ten employees of the company in terms of remuneration drawn during the FY 2020-21 are as follows:

Sl No	Employee Name	Designation	Annual Gross Remuneration Received for FY 20-21	Quali-fication	Year of Total Experience	Date of Joining	Age (Yrs)	Last Employment before Joining the Company	No of Equity Shares held
1	C.V.S Kaleshwar Rao	VP	4.94	MSW, BL	33	01.07.2016	58	Heritage Foods Ltd	-
2	Potluri Venkata Ravi Krishna	AGM	1.01	MSC	15	27.03.2020	39	SKS Biotech	-
3	Srinivasarao Yalamancali	Manager	0.98	CA	8	19.07.2018	34	Dukes Consumer Care	-
4	Nagaraja D	GM	0.96	MBA	27	14.09.2020	56	Wave Foods & Feeds	-
5	Kolla Ankamma Choudary	Sr.Manager	0.85	PG Dip	24	01.07.2019	47	Heritage Foods Ltd	-
6	Basavaraja P	Manager	0.76	MBA	10	17.02.2020	33	Coromandel International Ltd	-
7	Srikanth Akkineni	Manager	0.74	DME	20	05.09.2018	40	Pattabhi Agro Foods	-
8	P.A. Rajesh	Dy. Manager	0.67	Bsc.	22	28.06.2019	43	CPF (India) Ltd	-
9	Satish Avala	Asst. Manager	0.65	Bsc.	9	12.02.2020	30	Godrej Agrovet	-
10	Kantipudi Varaprasad	Dy. Manager	0.54	MBA	12	01.03.2019	36	RAK Ceramics India Pvt Ltd	-

All the above appointment are contractual and they are not relatives of any Director of the company. None of the employees are working outside of India.

Credit Rating:

The details of credit rating are as follows:

(a) Credit rating obtained by the Company: in respect to long term debts of Heritage Nutrivet Limited

(b) Name of the credit rating agency: Credit Rating Information Services of India Limited (CRISIL)

  i. Long term Rating : CRISIL BBB+/Positive

(c) Date on which the credit rating was obtained: 31st March, 2021 (Valid up to 31st March, 2022)

Public Deposits:

During the year under review the Company has not accepted any deposits from the public.

Cash Flow Statement

In conformity with the Companies Act, 2013 and Accounting Standard – 3 under Section 129 of the Companies Act, 2013, the Cash Flow Statement for the year ended on March 31, 2021 is attached as a part of the Financial Statement of the Company.

Directors Responsibility Statement:

In conformity with the provisions of Section 134 (5) of the Companies Act, 2013, based on the representations received from the Operating Management, and after due enquiry, your directors to the best of their knowledge and ability, confirm that:-

a) In the preparation of the annual accounts for the year ended March 31, 2021, the applicable accounting standards have been followed and there are no material departures from the same;

b) The Directors had in consultation with Statutory Auditors, selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2021 and of the profit & loss of the Company for the year ended on that date;

c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and irregularities;

d) The Directors have prepared the annual accounts on a 'going concern' basis; and

e) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively throughout the Financial Year ended 31st March, 2021.

Acknowledgment

The Board take this opportunity to thank all customers, consumers, investors, bankers and Statutory Authorities for their continued support during the year. The Board also wishes to place on record its sincere appreciation of the effort/contribution made by its employees at all levels. The Company's consistent growth was made possible by their hard work, solidarity, cooperation and support and look forward to their continued support in the future.

By Order of the Board
For **HERITAGE NUTRIVET LIMITED**

	N. BRAHMANI	**DR. M. SAMBASIVA RAO**
Place: Hyderabad	Managing Director	Director
Date: 12th May, 2021	DIN: 02338940	DIN: 01887410

Annexure - I

FORM NO. AOC.2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length: Nil
2. Details of contracts or arrangement or transactions at arm's length:

Sr. No.	Name(s) of the related party	Nature of Relationship	Nature of contracts/ arrangements/ transactions	Value of contracts/ arrangements/ transactions during the Year (₹ in Millions)	Duration of contracts/ arrangements/ transactions
1.	Heritage Foods Limited	Holding Company	Investment made (including financial guarantee)	1.00	One time transaction
			Purchase of products	5.15	Case to case - purchase order/ invoice
			Financial guarantee Expenses	2.38	During the financial year 2020-21
			Sales	549.24	Case to case - purchase order/ invoice
			Lease rental Expenses	0.54	On yearly basis
			Purchase/(sale) of Property, plant and equipment	(0.14)	Case to case - purchase order/ invoice
			Expenditure borne by HFL on behalf of Company	0.75	One time transaction
			Brand Expenses	3.46	On yearly basis
2.	Heritage Farmers Welfare Trust	Enterprise on which KMPs exercise significant influence	Purchase of Feed, Feed supplements and veterinary Medicines	0.02	Case to case - purchase order/ invoice
			Rental Expenses	0.05	On yearly basis
			Sale of Vehicles	0.82	Case to case - purchase order/ invoice
3.	Heritage Finlease Limited	Enterprise on which KMPs exercise significant influence	Rental Expenses	0.05	On yearly basis
4.	Nirvana Holdings Pvt. Ltd		Rental Expenses	0.05	On yearly basis
5.	Megabid Finance and Investment Pvt Ltd		Rental Expenses	0.02	On yearly basis
6.	Smt. Aparana Surabhi	Director	Sitting fee	0.08	During the financial year 2020-21

Sr. No.	Name(s) of the related party	Nature of Relationship	Nature of contracts/ arrangements/ transactions	Value of contracts/ arrangements/ transactions during the Year (₹ in Millions)	Duration of contracts/ arrangements/ transactions
7.	Smt. N. Bhuvaneswari	Director	Sitting fee	0.07	During the financial year 2020-21
8.	Smt. N. Brahmani	Director	Sitting fee	0.05	During the financial year 2020-21
9.	Dr. M.Sambasiva Rao	Director	Sitting fee	0.07	During the financial year 2020-21
10.	Sri. Rajesh Thakur Ahuja	Director	Sitting fee	0.06	During the financial year 2020-21

Note: Appropriate approvals has been taken from the Audit Committee and Board for the above related party transactions by the Company and no amount paid in advance for the above related party transactions.

For and on behalf of
HERITAGE NUTRIVET LIMITED

Place: Hyderabad
Date: 12th May, 2021

N. BRAHMANI
Managing Director
DIN: 02338940

DR. M. SAMBASIVA RAO
Director
DIN: 01887410

Annexure - II

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

For the Financial year ended 31st March, 2021

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Heritage Nutrivet Limited
CIN: U15400TG2008PLC062054
6-3-541/C,4th Floor, Irrum Manzil Colony
Panjagutta, Hyderabad-500082

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. Heritage Nutrivet Limited (herein after called the "Company"). Secretarial audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon. Based on my verification of the Company's, books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has during the audit period covering the financial year ended on 31st March, 2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2021 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made there under as amended from time to time;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable to the company:-

  (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; Not Applicable

  (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; Not Applicable

  (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended from time to time; Not Applicable

  (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; Not Applicable

  (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; Not Applicable

  (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; Not Applicable

  (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; Not Applicable.

  (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; Not Applicable

  (i) The Securities and Exchange Board of India (Listing Obligation & Disclosure Requirements) Regulations, 2015; Not Applicable

We have also examined compliance with the applicable clauses of the following as amended from time to time:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India, New Delhi.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that, the Company has, in my opinion generally complied with the provisions of the Companies Act, 2013 and the Rules made there under as notified by the Ministry of Corporate Affairs and the Memorandum and Articles of Association of the Company, with regard to

a) Maintenance of various statutory registers and documents and making necessary entries therein.

b) Forms, returns, documents and resolutions required to be filed with the Registrar of Companies and the Central Government.

c) The Annual General Meeting held on 21st August, 2020.

d) Minutes of the proceedings of General meetings and of the Board Meetings.

e) Constitution of the Board of Directors, appointment, retirement and reappointment of Directors including the Managing Director.

f) During the year under review the Board of Directors met 5 times, i.e 21st May, 2020, 24th July, 2020, 23rd October, 2020, 19th January, 2021 and 24th March, 2021. The time gap between the two Board meetings is within 120 days as per the Secretarial Standard-1.

g) No Payment of remuneration was made to Directors including the Managing Director/Whole-time Directors.

I further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has generally complied with the applicable laws applicable specifically to the Company.

I further report that, based on the information received and records maintained, there are adequate systems and process in the Company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

For KLB & Associates

CS Khusboo Laxmi Bhagat
M. No:9376, CP No:14703
UDIN: F009376C000157953

Place: Hyderabad
Date: 22nd April, 2021

ANNEXURE-A TO SECRETARIAL AUDIT REPORT

To,
The Members,
Heritage Nutrivet Limited
CIN: U15400TG2008PLC062054
6-3-541/C,4th Floor, Irrum Manzil Colony
Panjagutta, Hyderabad-500082

My report of even date is to be ready along with this supplementary testimony.

a) Maintenance of Secretarial record is the responsibility of management of the Company. Our responsibility is to express an opinion on these secretarial records based on out audit.

b) I have followed the audit practices and processes that were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on a test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices I followed provide a reasonable basis for my opinion.

c) I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

d) Whenever required, I have obtained Management representation about the compliance of laws, rules and regulations and happenings of events etc.

e) The Compliance of the provisions of Corporate and other applicable laws, rules and regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.

f) The Secretarial Audit is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management conducted the affairs of the Company.

For KLB & Associates

CS Khusboo Laxmi Bhagat
M. No:9376, CP No:14703
UDIN: F009376C000157953

Place: Hyderabad
Date: 22nd April, 2021

Annexure - III

Particulars of Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo required under the Companies (Accounts) Rules, 2014

A. Conservation of Energy

"Your Company is committed to looking for innovative ways to optimize the energy mix towards cleaner, more efficient forms of energy increasing share of renewable energy sources, while continuing to reduce consumption of energy. Your Company continue to investigate the feasibility of technologies with the potential to reduce emissions and contribute to energy efficiency".

i. The steps taken or impact on conservation of energy - Nil

ii. The steps taken by the company for utilising alternate sources of energy - Nil

iii. The capital investment on energy conservation equipments - Nil

B. Technology Absorption

i. The efforts made by the Company towards technology absorption during the year under review are:

ii. The benefits derived like product Improvement, cost reduction, product development or import substitution: Energy saving & reduction of cost of products, improved product quality.

iii. In case of imported technology (imported during the last three years reckoned from the beginning of the financial year) : Not Applicable

iv. The Expenditure incurred on Research and Development : NIL

C. Foreign Exchange Earnings and Outgo : NIL

By Order of the Board
For **HERITAGE NUTRIVET LIMITED**

	N. BRAHMANI	**DR. M. SAMBASIVA RAO**
Place: Hyderabad	Managing Director	Director
Date: 12th May, 2021	DIN: 02338940	DIN: 01887410

INDEPENDENT AUDITOR'S REPORT

To the Members of Heritage Nutrivet Limited

Report on the Audit of the Financial Statements

Opinion

1. We have audited the accompanying financial statements of Heritage Nutrivet Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs of the Company as at 31st March 2021, and its profit & loss (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information other than the Financial Statements and Auditor's Report thereon

4. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

   Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

   In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

5. The accompanying financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

6. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

7. Those Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

8. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

9. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

   - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

   - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;

   - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

   - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;

   - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;

10. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. Report on Other Legal and Regulatory Requirements

11. Based on our audit, we report that the Company has not paid or provided for any managerial remuneration during the year. Accordingly, reporting under section 197(16) of the Act is not applicable.

12. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.

13. Further to our comments in Annexure A, as required by section 143(3) of the Act, based on our audit, we report, to the extent applicable, that:

    a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the accompanying financial statements;

    b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

    c) the financial statements dealt with by this report are in agreement with the books of account;

    d) in our opinion, the aforesaid financial statements comply with Ind AS specified under section 133 of the Act;

    e) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of section 164(2) of the Act;

    f) we have also audited the internal financial controls with reference to financial statements of the Company as on 31st March, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date and our report dated 12th May, 2021 as per Annexure B expressed unmodified opinion; and

g) with respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:

   i. the Company does not have any pending litigations which would impact its financial position as at 31st March, 2021;

   ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31st March, 2021;

   iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31st March, 2021; and

   iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8th November, 2016 to 30th December, 2016, which are not relevant to these financial statements. Hence, reporting under this clause is not applicable.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Sanjay Kumar Jain Partner
Membership No.: 207660
UDIN: 21207660AAAACU7242

Place: Hyderabad
Date: 12 May 2021

Annexure A to the Independent Auditor's Report of even date to the members of Heritage Nutrivet Limited on the financial statements for the year ended 31th March 2021

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, plant and equipment.

(b) The Property, plant and equipment have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification of the Property, plant and equipment is reasonable having regard to the size of the Company and the nature of its assets.

(c) The title deeds of all the immovable properties (which are included under the head 'Property, plant and equipment') are held in the name of the Company except for the following property (₹ in lakhs): Nature of property Total Number of Cases Whether leasehold /freehold Gross block as on 31st March, 2021 Remarks Land 1 Freehold 172.08. The Company is in the process of getting the sale deed executed and registered in its name.

(ii) In our opinion, the management has conducted physical verification of inventory at reasonable intervals during the year, except for goods-in-transit, and no material discrepancies between physical inventory and book records were noticed on physical verification.

(iii) The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.

(iv) In our opinion, the Company has not entered into any transaction covered under Sections 185 and 186 of the Act. Accordingly, the provisions of clause 3(iv) of the Order are not applicable.

(v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) The Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's products. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.

(vii) (a) The Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and services tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, to the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they become payable.

(b) There are no dues in respect of income-tax, sales-tax, service tax, duty of customs, duty of excise and value added tax that have not been deposited with the appropriate authorities on account of any dispute.

(viii) The Company has not defaulted in repayment of borrowings to any bank during the year. There are no loans or borrowings payable to financial institutions or government and no dues payable to debenture-holders.

(ix) In our opinion, the Company has applied moneys raised by way of term loans for the purposes for which these were raised. The Company did not raise moneys by way of initial public offer/ further public offer (including debt instruments).

(x) No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.

(xi) The Company has not paid or provided for any managerial remuneration. Accordingly, the provisions of Clause 3(xi) of the Order are not applicable.

(xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.

(xiii) In our opinion all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable Ind AS.

(xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.

(xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.

(xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Sanjay Kumar Jain
Partner
Membership No.: 207660
UDIN: 21207660AAAACU7242

Place: Hyderabad
Date: 12 May 2021

Annexure B to the Independent Auditor's Report of even date to the members of Heritage Nutrivet Limited on the financial statements for the year ended 31st March 2021

Independent Auditor's Report on the internal financial controls with reference to the financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the financial statements of Heritage Nutrivet Limited ('the Company') as at and for the year ended 31st March, 2021, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ("Guidance Note") issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Annexure B to the Independent Auditor's Report of even date to the members of Heritage Nutrivet Limited on the financial statements for the year ended 31 March 2021 financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31st March, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Sanjay Kumar Jain
Partner
Membership No.: 207660
UDIN: 21207660AAAACU7242

Place: Hyderabad
Date: 12 May 2021

BALANCE SHEET AS AT 31ST MARCH 2021

(All amounts in ₹ millions, except share data and where otherwise stated)

	Notes	As at 31 March 2021	As at 31 March 2020
ASSETS			
Non-current assets			
(a) Property, plant and equipment	6	413.59	423.51
(b) Capital work in progress		2.98	2.04
(c) Other Intangible assets		0.30	
(d) Intangible assets under development		1.65	
(c) Financial assets			
(i) Loans	11(a)	3.05	3.05
(ii) Others	11(b)	0.55	0.52
(d) Deferred tax assets (net)	17	-	4.53
(e) Other non-current assets	7	3.71	3.99
Total non-current assets		**425.83**	**437.64**
Current assets			
(a) Inventories	8	104.41	86.47
(b) Financial Assets			
(i) Trade receivables	9	16.81	12.58
(ii) Cash and cash equivalents	10(a)	20.27	24.06
(iii) Bank balances other than (ii) above	10(b)	0.01	
(iv) Loans	11(a)	0.13	0.06
(v) Other financial assets	11(b)	0.09	
(c) Current tax assets (net)		2.78	1.46
(d) Other current assets	7	7.12	28.88
Total current assets		**151.62**	**153.51**
Total assets		**577.45**	**591.15**
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	12	37.10	37.10
(b) Other equity	13	347.31	273.96
Total equity		**384.41**	**311.06**
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	14	79.69	120.94
(b) Provisions	16	3.21	2.39
(c) Deferred tax liabilities (net)	17	4.98	-
Total non-current liabilities		**87.88**	**123.33**
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	14	14.67	52.68
(ii) Trade payables	19		
- total outstanding dues of micro and small enterprises;		0.25	0.67
- total outstanding dues of creditors other than micro and small enterprises		36.53	34.90
(iii) Other financial liabilities	15	45.52	51.19
(b) Other current liabilities	18	5.24	14.86
(c) Provisions	16	2.95	2.46
Total current liabilities		**105.16**	**156.76**
Total equity and liabilities		**577.45**	**591.15**

The accompanying notes referred to above form an integral part of the financial statements.

This is the Balance Sheet referred to in our report of even date.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm's Registration No: 001076N/N500013

Sanjay Kumar Jain
Partner
Membership No.: 207660

Place: Hyderabad
Date: 12 May 2021

For and on behalf of Board of Directors of
Heritage Nutrivet Limited

N Brahmani
Managing Director
DIN: 02338940

M Sambasiva Rao
Director
DIN: 01887410

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2021

(All amounts in ₹ millions, except share data and where otherwise stated)

	Notes	For the year ended	
		31 March 2021	31 March 2020
Revenue from operations	20	1,215.26	1,038.54
Other income	21	3.30	7.32
Total income		**1,218.56**	**1,045.86**
Expenses			
Cost of materials consumed	22	624.69	758.36
Purchase of stock-in-trade		259.04	59.74
Changes in inventories of finished goods and stock-in-trade	23	(1.98)	(6.47)
Employee benefit expenses	24	70.39	62.46
Finance costs	25	15.70	20.60
Depreciation expense	6	21.39	20.33
Other expenses	26	131.72	123.81
Total expenses		**1,120.9**	**1,038.83**
Profit/ (Loss) before tax		**97.61**	**7.03**
Tax expense	27		
Current tax expense		16.03	0.89
Deferred tax benefit		9.46	(0.59)
Profit for the year		**72.12**	**6.73**
Other comprehensive loss			
(i) Items that will not be reclassified subsequently to profit or loss			
Remeasurement of defined benefit plan, net of tax		0.23	(0.47)
Total Other comprehensive loss		**0.23**	**(0.47)**
Total comprehensive income for the year		**72.35**	**6.26**
Earnings per equity share (EPES)	28		
Basic and Diluted EPES		19.44	1.90

The accompanying notes referred to above form an integral part of the financial statements.

This is the Balance Sheet referred to in our report of even date.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm's Registration No: 001076N/N500013

Sanjay Kumar Jain
Partner
Membership No.: 207660

Place: Hyderabad
Date: 12 May 2021

For and on behalf of Board of Directors of
Heritage Nutrivet Limited

N Brahmani
Managing Director
DIN: 02338940

M Sambasiva Rao
Director
DIN: 01887410

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST MARCH 2021

(All amounts in ₹ millions, except share data and where otherwise stated)

	For the year ended	
Particulars	**31 March 2021**	**31 March 2020**
Cash flow from operating activities		
Profit /(Loss) before tax	**97.61**	**7.03**
Adjustments:		
Depreciation and amortisation expense	21.39	20.33
Finance costs	15.70	20.60
Provision no longer required/ credit balances written back		(6.36)
Provision towards doubtful trade receivables		1.20
Bad debts written off	-	0.31
Lease rental income	(0.18)	(0.16)
Provision for doubtful advances	11.51	
Interest income	(0.93)	(0.80)
Operating cash profits before working capital changes	**145.10**	**42.15**
(Increase)/Decrease in trade receivables	(4.23)	16.96
(Increase)/Decrease in financial and other assets	12.41	(9.83)
Increase in financial and other liabilities	(4.60)	8.80
Increase/ (decrease) in trade payables	1.21	(26.39)
Change in provisions	1.59	0.56
(Increase)/Decrease in inventories	(17.94)	(20.69)
Cash generated from/(used in) operating activities	**133.54**	**11.56**
Income-taxes paid	(17.34)	(0.76)
Net cash generated from/ (used in) operating activities (A)	**116.20**	**10.80**
Cash flows from investing activities		
Purchase of property, plant and equipment	(15.47)	(89.55)
Proceeds from sale of property, plant and equipment	-	0.31
Movement in other bank balances, net	(0.01)	
Lease rental received	0.09	0.16
Interest income received	0.86	0.80
Net cash used in investing activities (B)	**(14.53)**	**(88.28)**
Cash flows from financing activities		
Proceeds from long-term borrowings	-	30.30
Repayment of long-term borrowings	(51.25)	(15.31)
Proceeds from short term borrowings, net	-	-
Interest paid	(16.19)	(20.24)
Proceeds from issue of equity shares	-	75.00
Net cash generated from financing activities (C)	**(67.44)**	**69.75**
Net increase/(decrease) in cash and cash equivalents during the year (A + B + C)	**34.23**	**(7.73)**
Cash and cash equivalents at the beginning of the year	(28.63)	(20.90)
Cash and cash equivalents at the end of the year (Note 1)	**5.60**	**(28.63)**

	As at	
	31 March 2021	31 March 2020
Note 1:		
Cash and cash equivalents includes		
Cash on hand	0.02	0 .06
Balances with banks in current accounts	5.80	23.99
Deposits with original maturity up to 3 months	14.45	
Short term borrowings (refer note 14(b))	(14.67)	(52.68)
	5.60	**(28.63)**

This is the Cash Flow Statement referred to in our report of even date.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm's Registration No: 001076N/N500013

Sanjay Kumar Jain
Partner
Membership No.: 207660

Place: Hyderabad
Date: 12 May 2021

For and on behalf of Board of Directors of
Heritage Nutrivet Limited

N Brahmani
Managing Director
DIN: 02338940

M Sambasiva Rao
Director
DIN: 01887410

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2021

(All amounts in ₹ millions, except share data and where otherwise stated)

A Equity Share Capital

	Notes	Number of shares	Amount
As at 1 April 2019		**2952488**	**29.52**
Changes in equity share capital	12	7,57,576	7.58
As at 31 March 2020		**3710064**	**37.10**
Changes in equity share capital	12	-	-
As at 31 March 2021		**3710064**	**37.10**

B Other Equity (refer note 13)

	Reserves and Surplus				Other comprehensive income	Total
	Securities premium	Capital reserve	Equity contribution from Holding Company	Retained earnings		
Balance as at 1 April 2019	**206.26**	**(27.15)**	**10.74**	**9.43**		**199.28**
Profit for the year	-	-	-	6.73		**6.73**
Security premium on issue of equity shares	67.42	-	-	-		**67.42**
Other comprehensive loss	-	-	-	(0.47)		**(0.47)**
Equity contribution from Holding Company	-	-	1.00	-		**1.00**
Balance as at 31 March 2020	**273.68**	**(27.15)**	**11.74**	**15.69**		**273.96**
Profit for the year	-	-	-	72.12		**72.12**
Other comprehensive income	-	-	-	0.23		**0.23**
Equity contribution from Holding Company	-	-	1.00	-		**1.00**
Balance as at 31 March 2021 -	**273.68**	**(27.15)**	**12.74**	**88.04**	-	**347.31**

The accompanying notes referred to above form an integral part of the financial statements.

This is the Statement of Changes in Equity referred to in our report of even date.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm's Registration No: 001076N/N500013

Sanjay Kumar Jain
Partner
Membership No.: 207660

Place: Hyderabad
Date: 12 May 2021

For and on behalf of Board of Directors of
Heritage Nutrivet Limited

N Brahmani
Managing Director
DIN: 02338940

M Sambasiva Rao
Director
DIN: 01887410

Summary of the significant accounting policies and other explanatory information

1. Corporate information

Heritage Nutrivet Limited ("HNL" or "the Company") is headquartered and having its registered office at #6-3-541/C, Punjagutta, Hyderabad – 500082, Telangana, India. The Company operates through its animal feed facilities which are located in the state of Andhra Pradesh, India.

2. Basis of preparation of the financial statements

These financial statements as at and for the year ended 31 March 2021 comply in all material aspects with the Indian Accounting Standards ("Ind-AS") notified under the Companies (Indian Accounting Standards) Rules, 2015.

These financial statements have been prepared by the Company as a going concern on the basis of relevant Ind-AS that are effective or elected for early adoption at the Company's annual reporting date, 31 March 2021. These financial statements were authorised for issuance by the Company's Board of Directors on 12th May, 2021.

These financial statements have been prepared on historical cost convention, except for the following material items:

(a) Financial assets are measured at either at fair value or at amortised cost depending upon the classification.

(b) Employee defined benefits assets / (liability) are recognised as the net total of the fair value of plan assets, plus actuarial losses, less actuarial gains and the present value of the defined benefit obligations; and

(c) Long-term borrowings are measured at amortised cost using the effective interest rate method.

The financial statements are presented in Indian Rupees (₹) and all values are rounded to the nearest millions, except when otherwise indicated.

3. Summary of significant accounting policies

a. Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

b. Foreign currencies

The Company's financial statements are presented in Indian Rupees (₹), which is also its functional currency.

Transactions in foreign currency are initially recorded at exchange rates prevailing on the date of transactions.

Monetary items denominated in foreign currencies (such as cash, receivables, payables etc.) outstanding at the end of reporting period, are translated at the functional currency spot rate of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in the statement of profit and loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item i.e., translation differences on items whose fair value gain or loss is recognised in OCI or statement of profit and loss are also recognised in OCI or statement of profit and loss, respectively.

Any gains or losses arising due to differences in exchange rates at the time of translation or settlement are accounted for in the statement of profit and loss either under the head foreign exchange fluctuation or interest cost, as the case may be, except those relating to long-term foreign currency monetary items.

c. Fair value measurement

The Company measures financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company's management determines the policies and procedures for both recurring fair value measurement, and for non-recurring measurement.

At each reporting date, the management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Company's accounting policies. For this analysis, the management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

d. Revenue recognition

The Company derives revenues primarily from sale of animal feed products.

Revenue is recognized on satisfaction of performance obligation upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those products or services.

Revenue is measured on the basis of contracted price, after deduction of any discounts and any taxes or duties collected on behalf of the Government such as goods and services tax, etc. Discounts are recognised in accordance with the schemes implemented by the Company. Revenue is only recognised to the extent that it is highly probable a significant reversal will not occur.

The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, it does not adjust any of the transaction prices for the time value of money.

The Company satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

- The customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs; or
- The Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- The Company's performance does not create an asset with an alternative use to the Company and an entity has an enforceable right to payment for performance completed to date.

For performance obligations where one of the above conditions are not met, revenue is recognised at the point in time at which the performance obligation is satisfied.

Revenue from sale of products is recognised at the time when performance obligation is satisfied.

Interest Income

For all debt instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included under other income in the statement of profit and loss.

e. Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax is recognised in the statement of profit and loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the Balance Sheet approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax is recognised in the statement of profit and loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the deferred tax is also recognised in other comprehensive income or directly in equity, respectively.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum Alternate Tax (MAT) credit is recognised as an asset only when and to the extent it is reasonably certain that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

f. Property, plant and equipment (PPE)

Property, plant and equipment are stated at cost net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, the cost of replacing the part of plant and equipment and borrowing costs if capitalization criteria are met and any attributable cost of bringing the asset to its working condition and location for the intended use. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the statement of profit and loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Spare parts are capitalized when they meet the definition of PPE, i.e., when the company intends to use these during more than a period of 12 months.

Depreciation is provided on the basis of straight line method at the useful life and in the manner prescribed in Schedule II of the Companies Act, 2013 except in respect of the following assets, based on technical assessment made by technical expert and management estimate, useful life is different from than those described in Schedule II. Management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

i) Furniture and Fixtures: Depreciation on Furniture and Fixtures is provided on the basis of straight-line method based on the useful life of 5 years.

ii) Office Equipment: Depreciation on Office Equipment is provided on the basis of straight-line method based on the useful life ranging from 3 to 5 years.

iii) Plant and Machinery: Depreciation on Plant and Machinery is provided on the basis of straight-line method based on the useful life ranging from 9 to 20 years.

The useful life provided for different asset classes under schedule II of the Companies Act, 2013 are as follows:

Asset class	Useful life (years)
Furniture and Fixtures	10
Plant and machinery	15
Office Equipment	5

Depreciation on assets which are commissioned during the year is charged on pro -rata basis from the date of commissioning. The company depreciates general spares over the life of the spare from the date it is available for use.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from de-recognition of a tangible asset is measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

g. Borrowing cost

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

h. Leases

The Company as a lessee

The Company's lease asset classes primarily consist of leases for buildings and plant & equipment. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the

Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use (ROU) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 months or less (short-term leases) and low value leases. For these short-term and low-value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised. The ROU assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. ROU assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rate. Lease liabilities are remeasured with a corresponding adjustment to the related ROU asset if the Company changes its assessment of whether it will exercise an extension or a termination option.

The Company as a lessor

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. For operating leases, rental income is recognized on a straight-line basis over the term of the relevant lease.

i. Inventories

All inventories except for stores and spares and packing material, are valued at lower of cost and net realisable value.

- **Raw material** - Cost or net realisable value ("NRV") whichever is lower. However these items are considered to be realisable at cost if the finished products, in which they shall be used, are expected to be sold at or above cost. Cost has been ascertained on FIFO basis.
- **Finished goods** - Cost or NRV whichever is lower - Cost has been ascertained on weighted average cost method.
- **Stores and spares** - At cost - Cost has been ascertained on FIFO basis.
- **Stock-in-trade** - Cost or NRV whichever is lower - Cost has been ascertained on weighted average basis.
- **Packing material** - At Cost - Cost has been ascertained on FIFO basis.

Cost of inventories comprises following:

- Raw material, stores and spares and packaging material: Cost includes purchase price, import duties and other taxes excluding taxes those are subsequently recoverable from the concerned authorities, freight inwards and other expenditure incurred in bringing such inventories to their present location and condition.
- Finished goods: Cost comprises cost of direct material, direct labour and appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity, but excluding borrowing costs.
- Stock-in-trade: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

  Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

j. Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses, including impairment on inventories, are recognised in the statement of profit and loss.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years.

k. Provision and contingencies

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the Company expects some or all of a provision to be reimbursed, reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingencies

Contingent liabilities are identified and disclosed with respect to following:

- a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or
- a present obligation that arises from past events but is not recognised because:
- it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- the amount of the obligation cannot be measured with sufficient reliability.

Contingent assets are neither recognized nor disclosed, unless inflow of economic benefits is probable. However, when realization of income is virtually certain, related asset is recognized.

l. Employee benefits

Short term benefits

Short term employee benefits are accounted for in the period during which the services have been rendered.

Post-employment benefits and other long-term employee benefits

Provident Fund: Retirement benefit in the form of provident fund is a defined contribution scheme. The contributions to the provident fund administered by the Central Government under the Provident Fund Act, 1952, are charged to the statement of profit and loss for the year in which the contributions are due. The company has no obligation, other than the contribution payable to the provident fund. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to a reduction in future payment.

Gratuity: The Company operates a defined benefit gratuity plan, which requires contributions to be made to a separately administered fund. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Remeasurements, comprising mainly of actuarial gains and losses, are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to the statement of profit and loss in subsequent periods.

Leave Encashment: The Company operates a long-term leave encashment plan. Accrued liability for leave encashment including sick leave is determined on actuarial valuation basis using Projected Unit Credit (PUC) Method at the end of the year and provided completely in profit and loss account as per Ind AS - 19 "Employee Benefits".

m. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at FVTOCI and FVTPL

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model, whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss.

De-recognition

A financial asset is primarily derecognised when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the company has transferred substantially all the risks and rewards of the asset, or (b) the company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership.

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the company continues to recognise the transferred asset to the extent of the company's continuing involvement. In that case, the company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the company could be required to repay.

Impairment of financial assets

In accordance with Ind AS 109, the company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, deposits, trade receivables and bank balances.
- Financial guarantee contracts which are not measured as at FVTPL

The company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables that do not contain a significant financing component.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss. This amount is reflected under the head 'other expenses' in the statement of profit and loss. The balance sheet presentation for various financial instruments is described below:

- Financial assets measured as at amortised cost: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the company does not reduce impairment allowance from the gross carrying amount.
- Financial guarantee contracts: ECL is presented as a provision in the balance sheet, i.e. as a liability.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings or payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables and borrowings.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Borrowings

After initial recognition, interest-bearing borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid as per agreed terms. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

n. Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

o. Cash flow statement

The cash flow statement is prepared as per the Indirect Method. Cash Flow Statement presents the cash flows by operating, financing and investing activities of the Company. Operating cash flows are arrived by adjusting profit or loss before tax for the effects of transactions of a non- cash nature, any deferrals or accruals of past or future operating cash receipts or payments, and items of income or expense associated with investing or financing cash flows.

p. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the cash flow statement, cash and cash equivalents consist of cash at banks and on hand and deposits, as defined above, net of outstanding short-term borrowings from banks as they are considered an integral part of the Company's cash management.

4. Key accounting estimates, judgements and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

a. Defined benefit plans and other long-term benefit plan

The cost and present value of the defined benefit gratuity plan and leave encashment (other long-term benefit plan) are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate; future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation and other long-term benefits are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

b. Useful lives of depreciable assets

Management reviews the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets to the Company.

c. Leases

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to Company's operations taking into account the location of the underlying asset and the availability of suitable alternatives.

5. Standards and recent pronouncements issued but not yet effective

On 24 March 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from 1 April 2021.

Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet:

a. Lease liabilities to be disclosed separately under the head 'financial liabilities', duly distinguished as current or non-current.

b. Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.

c. Specified format for disclosure of shareholding of promoters.

d. Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.

e. Disclosure of amounts borrowed and utilised for other than the specific purposes.

f. Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

Statement of profit and loss:

g. Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the financial statements.

The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

6. Property, plant and equipment

	Freehold land	Buildings	Plant and equipment	Furniture and fixtures	Office Equipment	Vehicles	Total
Gross Block							
Balance as at 1 April 2019	50.76	99.94	79.55	1.63	3.43	0.06	**235.37**
Additions during the year	-	126.20	95.87	0.92	2.29	-	**225.28**
Disposals during the year	-	-	(0.33)	-	-	-	**(0.33)**
Balance as at 31 March 2020	**50.76**	**226.14**	**175.09**	**2.55**	**5.72**	**0.06**	**460.32**
Additions during the year	-	5.94	2.64	0.53	1.52	0.82	**11.45**
Balance as at 31 March 2021	**50.76**	**232.08**	**177.73**	**3.08**	**7.24**	**0.88**	**471.77**
Accumulated depreciation							
Up to 1 April 2019	-	5.17	9.84	0.37	1.10	0.01	**16.49**
Charge for the year	-	7.95	10.98	0.34	1.05	0.01	**20.33**
Adjustment for disposals	-	-	(0.01)	-	-	-	**(0.01)**
Up to 31 March 2020	**-**	**13.12**	**20.81**	**0.71**	**2.15**	**0.02**	**36.81**
Charge for the year	-	8.16	11.49	0.52	1.13	0.07	**21.37**
Up to 31 March 2021	**-**	**21.28**	**32.30**	**1.23**	**3.28**	**0.09**	**58.18**
Net book value as at 31 March 2020	**50.76**	**213.02**	**154.28**	**1.84**	**3.57**	**0.04**	**423.51**
Net book value as at 31 March 2021	**50.76**	**210.80**	**145.43**	**1.85**	**3.96**	**0.79**	**413.59**

(i) For details of assets pledged as security, refer Note 14(a).

(ii) Freehold land includes land valued at ₹ 17.21 (31 March 2020: ₹ 17.21) pending execution of sale deed in the name of the Company. The management is in the process of getting the sale deed executed and registered in the Company's name.

7. Other assets

	As at	
	31 March 2021	**31 March 2020**
Non-current		
Unsecured, considered good		
Capital advances	0.91	-
Prepaid expenses	2.80	3.99
	3.71	**3.99**
Current		
Unsecured, considered good		
Advances to material and service providers	0.47	23.57
Prepaid expenses	3.75	2.60
Others	2.90	2.71
	7.12	**28.88**
Unsecured, considered doubtful		
Advances to material and service providers	11.51	-
Less: Provision for doubtful advances	11.51	-
	-	-
	7.12	**28.88**

No advances are due from directors or other officers of the Company either severally or jointly with any other person or amounts due by firms or private companies respectively in which any director is a partner or a director or a member. Refer note 32 for dues from the related parties.

8. Inventories

	As at	
	31 March 2021	31 March 2020
(refer note 3(i))		
Raw materials	69.89	53.14
Finished goods (including goods in transit of ₹ 1.57 (31 March 2020: ₹ 0.77))	17.39	17.61
Stock-in-trade (including goods in transit of ₹ 0.09 (31 March 2020: ₹ Nil))	5.78	3.58
Packing materials	4.14	5.21
Stores and spares	7.21	6.93
	104.41	**86.47**

9. Trade receivables

	As at	
	31 March 2021	31 March 2020
Unsecured		
- Considered good	16.81	12.58
- Significant increase in credit risk	34.15	47.33
	50.96	**59.91**
Less: Allowance for receivables with significant increase in credit risk	(34.15)	(47.33)
	16.81	**12.58**

The movement in the allowance for trade receivables with significant increase in the credit risk for the year ended 31 March 2021 and 31 March 2020 are as follows:

	For the year ended	
	31 March 2021	31 March 2020
Opening balance at beginning of the year	47.33	48.72
Provision made during the year	-	1.20
Excess provision reversed during the year	(1.83)	-
Bad debts written off during the year	(11.35)	(2.59)
Closing balance at end of the year	**34.15**	**47.33**

No trade receivables are due from directors or other officers of the Company either severally or jointly with any other person or amounts due by firms or private companies respectively in which any director is a partner or a director or a member. Refer note 32 for dues from the related parties.

10. Cash and Bank balances

	As at	
	31 March 2021	31 March 2020
(a) Cash and cash equivalents		
Balances with banks in current accounts	5.80	9.91
Cash on hand	0.02	0.06
Deposits with original maturity up to 3 months	14.45	14.09
	20.27	**24.06**
(b) Other bank balances		
Margin money deposits with banks	0.01	-
	0.01	-

11(a) Loans

	As at 31 March 2021	As at 31 March 2020
Non-current		
Unsecured, considered good		
Security deposits	3.05	3.05
	3.05	**3.05**
Current		
Unsecured, considered good		
Security deposits	0.13	0.06
	0.13	**0.06**

11(b) Other financial assets

	As at 31 March 2021	As at 31 March 2020
Non-current		
Unsecured, considered good		
Interest accrued but not due on bank deposits	0.07	-
Margin money deposits with banks	0.48	0.52
	0.55	**0.52**
Current		
Unsecured, considered good		
Rent receivable	0.09	-
	0.09	-

12. Equity share capital

		As at 31 March 2021		As at 31 March 2020	
		Number	Amount	Number	Amount
i.	**Authorised share capital**				
	Equity shares of ₹ 10 each	1,50,00,000	150.00	1,50,00,000	150.00

		As at 31 March 2021		As at 31 March 2020	
		Number	Amount	Number	Amount
ii.	**Issued, subscribed and fully paid up**				
	Equity shares of ₹ 10 each	37,10,064	37.10	37,10,064	37.10
		37,10,064	**37.10**	**37,10,064**	**37.10**

iii. Reconciliation of number of equity shares outstanding at the beginning and at the end of the year

	As at 31 March 2021		As at 31 March 2020	
	Number	Amount	Number	Amount
Equity shares				
Balance at the beginning of the year	37,10,064	37.10	29,52,488	29.52
Add: Issued during the year	-	-	7,57,576	7.58
Balance at the end of the year	**37,10,064**	**37.10**	**37,10,064**	**37.10**

iv. **Rights, preferences and restrictions attached to equity shares**

The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the Annual General Meeting.

On winding up of the Company, the holders of equity shares shall be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts, in proportion to the number of equity shares held.

v. **Details of shareholders holding more than 5% equity shares in the Company**

	As at 31 March 2021		As at 31 March 2020	
	Number	% holding	Number	% holding
Name of the equity shareholders				
Heritage Foods Limited (Holding Company)	37,09,464	99.98%	37,09,464	99.98%

13. Other equity

	As at	
	31 March 2021	31 March 2020
Reserve and surplus		
Securities premium	273.68	273.68
Capital reserve	(27.15)	(27.15)
Equity contribution from Holding Company	12.74	11.74
Retained earnings	88.04	15.69
Items of Other comprehensive income ("OCI")	-	-
	347.31	**273.96**

Nature and purpose of reserves

Securities premium

The amount received in excess of face value of the equity shares is recognised in securities premium. This reserve will be utilised in accordance with provisions of Section 52 of the Act.

Capital reserve

Capital reserve was created on sale of retail division to Future Retail Limited in accordance with the composite scheme of arrangement in earlier years.

Equity contribution from Holding Company

Represents additional infusion by the Holding Company in form of guarantees given to the Company's bankers towards borrowing facilities extended to the Company.

Retained earnings

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distribution to shareholders.

14. Borrowings

	As at	
	31 March 2021	31 March 2020
Non-current		
Secured		
Term loans		
From banks	79.69	120.94
	79.69	**120.94**

(a) Terms and conditions of borrowings and nature of security

(i) Term loan amounting to ₹ Nil (31 March 2020: ₹ 30) was secured by first pari passu charge on all fixed assets of Hindupur cattle feed plant and by second charge on all current assets of the Company. The security on the underlying loan was discharged, on pre-payment of the remaining loan amount during the year ended 31 March 2021. The loan was guaranteed by the Holding Company (refer note 32 for details).

(ii) Term loan amounting to ₹ 100.94 (31 March 2020: ₹ 122.19) is secured by equitable mortgage on the land & building located at Mallavalli village, Krishna district, by exclusive charge on movable fixed assets located at Mallavalli plant and by second charge on all current assets of the Company. The interest rate is fixed at three months MCLR+ spread per annum. The loan is repayable in 24 equal quarterly instalments commenced from March 2020 and ending in December 2025. The loan is guaranteed by the Holding Company (refer note 32 for details).

	As at	
	31 March 2021	31 March 2020
Current		
Secured		
Working capital demand loan from a bank	-	20.00
Cash credit facility from a bank	14.67	32.68
	14.67	**52.68**

(b) Terms and conditions of loan and nature of security

(i) Working capital demand loan from a bank was secured by first charge on current assets of the Company, both present and future. The loan was repaid during the year ended 31 March 2021 in accordance with its repayment terms. The loan was guaranteed by the Holding Company (refer note 32 for details).

(ii) Cash credit facility from a bank is secured by first charge on the assets of the Company, both future and present. The interest rate is equivalent to MCLR+ spread per annum, as agreed from time to time. The loan is guaranteed by the Holding Company (refer note 32 for details).

(c) Reconciliation of liabilities arising from financial activities*

	For the year ended	
	31 March 2021	31 March 2020
Balance at beginning of the year	152.19	137.20
Proceeds from long term borrowings	-	30.30
Repayment of long term borrowings	(51.25)	(15.31)
Balance at end of the year	**100.94**	**152.19**

*Include current and non-current portions of term loans from banks.

(d) Reconciliation of interest accrued on term loans from banks

	For the year ended	
	31 March 2021	31 March 2020
Balance at beginning of the year	1.20	0.84
Interest expense for the year	11.52	14.98
Interest paid during the year	12.01	14.62
Balance at end of the year	**0.71**	**1.20**

15. Other financial liabilities

	As at	
	31 March 2021	31 March 2020
Current		
Current maturities of term loans from banks (refer note 14(a))	21.25	31.25
Capital creditors	2.40	2.60
Freight payables	5.62	4.27
Employee related payables	8.05	2.25
Interest accrued on borrowings	0.71	1.20
Retention money payable	0.81	2.85
Other payables	6.68	6.77
	45.52	**51.19**

16. Provisions

	As at	
	31 March 2021	31 March 2020
Non-current		
Compensated absences	3.21	2.39
	3.21	**2.39**
Current		
Gratuity (refer note (a) below)	-	-
Compensated absences	2.95	2.46
	2.95	**2.46**

(a) Gratuity

The Company provides its employees with benefits under a defined benefit plan, referred to as the "Gratuity Plan". The Gratuity Plan entitles an employee, who has rendered at least five years of continuous service, to receive 15 days salary for each year of completed service (service of six months and above is rounded off as one year) at the time of retirement/ exit, restricted to a sum of ₹ 2 in accordance with Payment of Gratuity Act, 1972.

		As at	
		31 March 2021	31 March 2020
(i)	**Change in projected benefit obligation**		
	Projected benefit obligation at the beginning of the year	2.55	1.97
	Service cost	0.36	0.34
	Interest cost	0.13	0.12
	Actuarial (gain)/loss	(0.31)	0.31
	Benefits paid	(0.10)	(0.19)
	Projected benefit obligation at the end of the year	**2.63**	**2.55**
(ii)	**Change in plan assets**		
	Fair value of plan assets at the beginning of the year	5.13	4.25
	Contribution made during the year	0.21	0.92
	Interest income on plan assets	0.32	0.31
	Actuarial loss	(0.03)	(0.16)
	Benefits paid	(0.10)	(0.19)
	Fair value of plan assets at the end of the year	**5.53**	**5.13**

		As at	
		31 March 2021	31 March 2020
(iii)	**Reconciliation of present value of projected benefit obligation and fair value of plan assets**		
	Present value of projected benefit obligation at the end of the year	2.63	2.55
	Funded status of the fair value of plan assets	(5.53)	(5.13)
	Net asset recognised in the balance sheet	**(2.90)**	**(2.58)**
(iv)	**Expense recognized in the Statement of profit and loss**		
	Interest cost	0.13	0.12
	Service cost	0.36	0.34
	Interest income on plan assets	(0.32)	(0.31)
		0.17	**0.15**
(v)	Income recognized in OCI		
	Actuarial (gain)/loss, net	(0.28)	0.47
		(0.28)	**0.47**

		As at	
(vi)	**Key actuarial assumptions**	31 March 2021	31 March 2020
	Discount rate	4.90%	5.30%
	Salary escalation rate	8.00%	8.00%
	Withdrawal rate	30.00%	30.00%
	Retirement age	58 - 60 years	58 years

Note:

a) The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

(vii) Maturity profile of defined benefit obligation:

	As at	
	31 March 2021	31 March 2020
Within one year	0.73	0.71
Within two to five years	2.43	2.30
More than five years	2.12	2.00
	5.28	**5.01**

(viii) Sensitivity analysis

Reasonably possible changes as at 31 March 2021 and 31 March 2020 to one of the relevant actuarial assumptions, holding other assumptions constant, can affect the defined benefit obligation by the amounts shown below.

	As at	
	31 March 2021	31 March 2020
Discount rate (+1% movement)	(0.06)	(0.05)
Discount rate (-1% movement)	0.07	0.06
Salary escalation (+ 1 movement)	0.03	0.03
Salary escalation (- 1% movement)	(0.03)	(0.03)

17. Deferred tax assets/(liabilities), net

	As at	
	31 March 2021	31 March 2020
Deferred tax liabilities arising on account of:		
Property, plant and equipment	(29.25)	(23.84)
Deferred tax assets arising on account of:		
Minimum Alternate Tax (MAT) credit	9.86	4.53
Employee benefits	1.71	1.26
Provision for trade receivables	9.50	12.31
Provision for doubtful advances	3.20	-
Unabsorbed tax depreciation (refer note (a) below)	-	10.27
Deferred tax assets/(liabilities), net	**(4.98)**	**4.53**

Note:

(a) The Company has unrecognised deferred tax asset on account of unabsorbed tax depreciation aggregating to ₹ Nil as on 31 March 2021 (31 March 2020: ₹ 3.74) which have not been recognised on the grounds of prudence.

Movement in deferred tax

	Unabsorbed tax depreciation	MAT credit	Others	Total
As at 1 April 2019	-	**3.64**	**0.30**	**3.94**
Charged/recognised				
- to Statement of Profit and Loss	10.27	0.89	(10.57)	0.59
As at 31 March 2020	**10.27**	**4.53**	**(10.27)**	**4.53**
Charged/recognised				
- to Statement of Profit and Loss	(10.27)	5.33	(4.52)	(9.46)
- to OCI	-	-	(0.05)	(0.05)
As at 31 March 2021	-	**9.86**	**(14.84)**	**(4.98)**

18. Other liabilities

	As at	
	31 March 2021	31 March 2020
Current		
Advances from customers	3.48	13.80
Payable to statutory authorities	1.76	1.06
	5.24	**14.86**

19. Trade payables

		As at	
		31 March 2021	31 March 2020
(a)	total outstanding dues of micro and small enterprises;	0.25	0.67
(b)	total outstanding dues of creditors other than micro and small enterprises	36.53	34.90
		36.78	**35.57**

Disclosure under Micro, Small and Medium Enterprises Development Act, 2006

The creditors covered by Micro, Small and Medium Enterprises Development Act, 2006 ("the MSMED Act, 2006") have been identified on the basis of information available with the Company. Disclosures in respect of the amounts payable to such parties are given below:

		As at	
		31 March 2021	31 March 2020
(i)	The principal amount remaining unpaid as at the end of the year	0.25	0.67
(ii)	The amount of interest accrued and remaining unpaid on (i) above.	-	-
(iii)	Amount of interest paid by the Company in terms of Section 16, of the MSMED Act, 2006 along with the amounts of payments made beyond the appointed date during the year.	-	-
(iv)	The amount of interest due and payable for the period (where the principal has been paid but interest under the MSMED Act, 2006 not paid)	-	-
(v)	The amount of further interest remaining due and payable in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act, 2006.	-	-

20. Revenue from operations

	For the year ended	
	31 March 2021	31 March 2020
Sale of products	1,213.40	1,036.90
Other operating income	1.86	1.64
	1,215.26	**1,038.54**

Notes:

(a) Revenue disaggregation as per geography has been included in segment reporting (refer note 34).

(b) A receivable is a right to consideration that is unconditional upon passage of time. The Company sells goods on advance payment terms. In case of customers where credit is allowed, the same is disclosed under note 9 to the financial statements.

(c) Reconciliation of revenue from sale of products with the contracted price

	For the year ended	
	31 March 2021	31 March 2020
Revenue as per contracted price	1,223.63	1,054.33
Adjusted for:		
Sales returns	2.22	4.93
Discounts	8.01	12.50
Total revenue from contracts with customers	**1,213.40**	**1,036.90**

21. Other income

	For the year ended	
	31 March 2021	31 March 2020
Interest income	0.93	0.80
Lease rental income	0.18	0.16
Other non-operating income	2.19	6.36
	3.30	**7.32**

22. Cost of materials consumed*

	For the year ended	
	31 March 2021	31 March 2020
Raw materials and packing materials at the beginning of the year	58.35	46.64
Add: Purchases made during the year	640.37	770.07
Less: Raw materials and packing materials at the end of the year	(74.03)	(58.35)
	624.69	**758.36**

* Disclosed based on derived figures, rather than actual records of issue.

23. Changes in inventories of finished goods and stock-in-trade

	For the year ended	
	31 March 2021	31 March 2020
Opening balance		
- Finished goods	17.61	12.32
- Stock-in-trade	3.58	2.40
	21.19	**14.72**
Closing balance		
- Finished goods	17.39	17.61
- Stock-in-trade	5.78	3.58
	23.17	**21.19**
	(1.98)	**(6.47)**

24. Employee benefit expenses

	For the year ended	
	31 March 2021	31 March 2020
Salaries, wages and bonus	59.34	54.10
Contribution to provident and other funds (refer note a below)	3.45	3.36
Gratuity expense	0.17	0.15
Compensated absences expense	3.58	1.69
Staff welfare expenses	3.85	3.16
	70.39	**62.46**

(a) The amount recognized as an expense towards contribution to provident fund and employee state insurance scheme for the year ended 31 March 2021 amounts to ₹ 3.45 (31 March 2020: ₹ 3.36).

25. Finance costs

	For the year ended	
	31 March 2021	31 March 2020
Interest on borrowings measured at amortized cost	12.89	17.84
Other borrowing costs	2.81	2.76
	15.70	**20.60**

26. Other expenses

	For the year ended	
	31 March 2021	31 March 2020
Consumption of stores and spares	11.16	13.84
Power and fuel	19.20	21.02
Rent	1.27	2.46
Repairs and maintenance		
- Plant and equipment	0.23	0.21
- Others	2.31	1.03
Insurance	0.80	0.41
Rates and taxes, excluding taxes on income	1.20	1.90
Freight outwards	66.64	63.71
Communication	0.85	0.80
Office maintenance	0.21	0.14
Travelling and conveyance	2.37	3.86
Legal and professional fees	2.79	3.30
Payment to auditors (refer note (i) below)	0.80	0.61
Provision for doubtful advances	11.51	-
Provision towards doubtful trade receivables	-	1.20
Bad debts written off	-	0.31
Bank charges	0.10	0.15
Sales promotion expenses, including sales commission	3.44	5.86
Security charges	1.35	1.61
Printing and stationery	0.62	0.45
Brand Usage Expenses	4.08	-
Miscellaneous expenses	0.79	0.94
	131.75	**123.81**

(i) Details of payments to auditors :

	For the year ended	
	31 March 2021	31 March 2020
As auditor:		
- Statutory audit fee	0.51	0.47
- Tax audit fee	0.16	0.14
In other capacities:		
- Certification fees	0.13	-
	0.80	**0.61**

27. Income tax expense

The major components of income tax expense and the reconciliation between expected tax expense based on the domestic effective tax rate of the Company at 27.82% (31 March 2020: 26.00%) and the reported tax expense in the Statement of Profit and Loss is as follows:

	For the year ended	
	31 March 2021	31 March 2020
Income tax expense reported in the Statement of Profit and Loss		
Tax expense comprises of:		
Current tax expense	16.03	0.89
Deferred tax expense/(benefit)	9.46	(0.59)
	25.49	**0.30**

Reconciliation of tax expense and the accounting profit multiplied by India's tax rate

	For the year ended	
	31 March 2021	31 March 2020
Profit before tax	**97.61**	**7.03**
Expected tax expense at the Indian tax rate of 27.82% (31 March 2020: 26.00%)	27.16	1.83
Tax effect of amounts which are not deductible/taxable in calculating taxable income:		
Other adjustments	(1.67)	(1.53)
	25.49	**0.30**

28. Earnings per equity share

	For the year ended	
	31 March 2021	31 March 2020
Profit for the year	**72.12**	**6.73**
Weighted average number of equity shares outstanding during the year	37,10,064	35,50,247
Earnings per equity share (in absolute ₹ terms):		
Nominal value per equity share	10.00	10.00
Basic and Diluted EPES	19.44	1.90

Note:

The Company did not had any potential dilutive equity shares as on 31 March 2021 and 31 March 2020.

29. Categories of Financial instruments and their fair values

The carrying amount of all financial assets and financial liabilities appearing in the financial statements are reasonable approximation of their fair values.

Categories of financial instruments

	As at 31 March 2021			As at 31 March 2020		
	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
Financial assets						
Trade receivables	-	-	16.81	-	-	12.58
Cash and cash equivalents	-	-	20.27	-	-	24.06
Other bank balances	-	-	0.01			-
Loans	-	-	3.18	-	-	3.11
Other financial assets	-	-	0.64	-	-	0.52
	-	-	**40.91**	-	-	**40.27**

	As at 31 March 2021			As at 31 March 2020		
	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
Financial liabilities						
Borrowings	-	-	115.61	-	-	204.87
Trade payables	-	-	36.78	-	-	35.57
Other financial liabilities	-	-	24.27	-	-	19.94
	-	-	**176.66**	-	-	**260.38**

The fair value of the financial assets and financial liabilities are included at an amount at which the instruments could be exchanged in a current transaction between the willing parties, other than in a forced or liquidation sale.

30. Financial risk management objectives and policies

Financial Risk Management Framework

The Board of Directors is responsible for developing and monitoring the Company's risk management policies.

The Company's principal financial liabilities comprises of borrowings, trade payables and other financial liabilities. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans, trade receivables and cash and cash equivalents that the Company derives directly from its operations.

The Company is exposed primarily to Credit Risk, Liquidity Risk and Market risk (fluctuations in interest rates), which may adversely impact the fair value of its financial instruments. The Company assesses the unpredictability of the financial environment and seeks to mitigate potential adverse effects on the financial performance of the Company.

A. Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk arises primarily from financial assets such as trade receivables, balances with banks and loans.

Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit. Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, cash and cash equivalents and loans. None of the financial instruments of the Company result in material concentration of credit risk.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was ₹ 40.91 and ₹ 40.27 as of 31 March 2021 and 31 March 2020 respectively, being the total of the carrying amount of financial assets.

Financial assets that are neither past due nor impaired

None of the Company's cash equivalents were impaired as at 31 March 2021 and 31 March 2020.

Financial assets that are past due but not impaired

The Company's credit period for customers generally ranges from 0 - 30 days. The aging of trade receivables, net of those provided for in the books of account, is given below:

	As at	
	31 March 2021	31 March 2020
Past due not impaired:		
0 - 180 days	16.81	12.58
More than 180 days	-	-
	16.81	**12.58**

Ind AS requires expected credit losses to be measured through a loss allowance. The Company assesses at each date of Balance Sheet whether a financial asset or a group of financial assets are impaired. Expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward-looking information.

B. Liquidity risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use in accordance with the requirements. The Company manages liquidity risk by maintaining banking facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and financial liabilities.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

As at 31 March 2021	On demand	Up to 1 year	More than 1 year	Total
Borrowings	14.67	21.25	79.69	**115.61**
Trade payables	-	36.78	-	**36.78**
Other financial liabilities	-	24.27	-	**24.27**
	14.67	**82.30**	**79.69**	**176.66**
As at 31 March 2020	**On demand**	**Up to 1 year**	**More than 1 year**	**Total**
Borrowings	52.68	31.25	120.94	**204.87**
Trade payables	-	35.57	-	**35.57**
Other financial liabilities	-	19.94	-	**19.94**
	52.68	**86.76**	**120.94**	**260.38**

C. Market risk:

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from adverse changes in market rates and prices. Market risk is attributable to all market risk-sensitive financial instruments and all short-term and long-term borrowings. Market risk comprises three types of risk: interest rate risk, currency risk and other price risks.

i. Interest risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term obligations with floating interest rates.

For the years ended 31 March 2021 and 31 March 2020, every 50 basis point decrease in the floating interest rate component applicable to the Company's borrowings would have increased the profit by approximately ₹ 0.51 and ₹ 0.99 respectively. A 50 basis point increase in floating interest rate would have led to an equal but opposite effect.

ii. The Company is not exposed to any other type of market risk as on 31 March 2021 and 31 March 2020.

31. Capital risk management

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximise the shareholder's value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payments to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total equity plus net debt. The Company's policy is to keep the gearing ratio between 15% and 45%. The Company includes within net debt, borrowings from banks less cash and cash equivalents.

	As at	
	31 March 2021	31 March 2020
Borrowings from banks (note 14 and 15)	115.61	204.87
Less: Cash and cash equivalents (note 10(a))	(20.27)	(24.06)
Net debt (A)	**95.34**	**180.81**
Total equity (B)	384.41	311.06
Net debt and total equity (A) + (B)	479.75	491.87
Gearing ratio (%)	**19.87%**	**36.76%**

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the borrowings from banks that define capital structure requirements. Breaches in meeting the financial covenants would permit the bankers to immediately call back the borrowings. There was no breach in the financial covenants of any borrowings during the current year ended 31 March 2021. Further, there is no impact on the financial statements due to breach in a financial covenant attached to the borrowings during the previous year ended 31 March 2020.

32. Related party disclosures

(a) Names of the related parties and nature of relationship

Names of related parties	Nature of relationship
Heritage Foods Limited	Holding Company
Heritage Farmers Welfare Trust	Enterprise over which KMPs exercise significant influence
Heritage Finlease Limited	
Nirvana Holdings Private Limited	
Megabid Finance & Investment Private Limited	
N Bhuvaneswari	Key Managerial Personnel ("KMP")
N Brahmani	
M Sambasiva Rao	

(b) Transactions with the related parties

		For the year ended	
		31 March 2021	31 March 2020
(i)	**Heritage Foods Limited**		
	Issue of equity shares	-	75.00
	Equity contribution from Holding Company	1.00	1.00
	Purchase of power	4.81	2.04
	Purchase of dairy products	0.34	0.35
	Purchase/(sale) of Property, plant and equipment	0.14	(0.37)

		For the year ended	
		31 March 2021	31 March 2020
	Financial guarantee expense	2.38	2.34
	Sale of products	549.24	545.34
	Lease rental expense	0.54	1.83
	Expenditure incurred on behalf of HNL	0.75	0.77
	Brand usage expense	3.46	-
(ii)	**N Bhuvaneswari**		
	Sitting fees	0.07	0.05
(iii)	**N Brahmani**		
	Sitting fees	0.05	0.05
(iv)	**M Sambasiva Rao**		
	Sitting fees	0.07	0.06
(v)	**Heritage Farmers Welfare Trust**		
	Sale of products	0.02	43.15
	Lease rental income	0.05	0.05
	Purchase of Property, plant and equipment	0.82	-
(vi)	**Heritage Finlease Limited**		
	Lease rental income	0.05	0.05
(vii)	**Nirvana Holdings Private Limited**		
	Lease rental income	0.05	0.05
(viii)	**Megabid Finance & Investment Private Limited**		
	Lease rental income	0.02	-

(c) Balances receivable/(payable)

		As at	
		31 March 2021	31 March 2020
(i)	**Heritage Foods Limited**		
	Trade payable	-	(0.05)
	Trade receivable	9.94	4.61
(ii)	**Heritage Farmers Trust**		
	Other receivable	0.01	0.01
(iii)	**Heritage Finlease Limited**		
	Other receivable	0.01	0.01
(iv)	**Nirvana Holdings Private Limited**		
	Other receivable	0.05	0.08
(v)	**Megabid Finance & Investment Private Limited**		
	Other receivable	0.02	-

Notes:

(a) Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 March 2021, the Company has not recorded any impairment of receivables relating to amounts owed by the Holding Company (31 March 2020: Nil). This assessment is undertaken each financial year through examining the financial position of the related parties and the market in which such parties operates.

(b) During the year ended 31 March 2021, the Holding Company has given guarantees to bankers towards loans aggregating to ₹ 115.61 (31 March 2020: ₹ 204.87) taken by the Company.

33. Contingent liabilities and commitments

		As at	
		31 March 2021	31 March 2020
(i)	**Contingent liabilities**		
	Guarantees excluding financial guarantees	0.58	0.52
(ii)	**Commitments**		
	Estimated amount of contracts remaining to be executed on capital account and not provided for;	5.41	0.23

34. Segment reporting

The management has assessed the identification of reportable segments in accordance with the requirements of In AS 108 'Operating Segment' and believes that the Company has only one reportable segment namely "Feed".

(a) Revenue from customers

The Company has one customer who has contributed more than 10% to the Company's revenue from operations during the current and previous year. The revenue from such major customer during the year is ₹ 549.24 (31 March 2020: ₹ 545.34). The entire revenue from operations is attributable to customers based within India.

(b) Non-current assets

The entire non-current assets of the Company as at 31 March 2021 and 31 March 2020 are located in India. Non-current assets for this purpose consists of property, plant and equipment and capital work in progress.

35. Additional information as required under paragraph 5 of the part II of the Schedule III to the Act to the extent either "Nil" or "Not Applicable" has not been furnished.

36. Corresponding previous period's figures have been regrouped/reclassified wherever necessary.

This is the summary of significant accounting policies and other explanatory information referred to our report o even date

For Walker Chandiok & Co LLP
Chartered Accountants
Firm's Registration No: 001076N/N500013

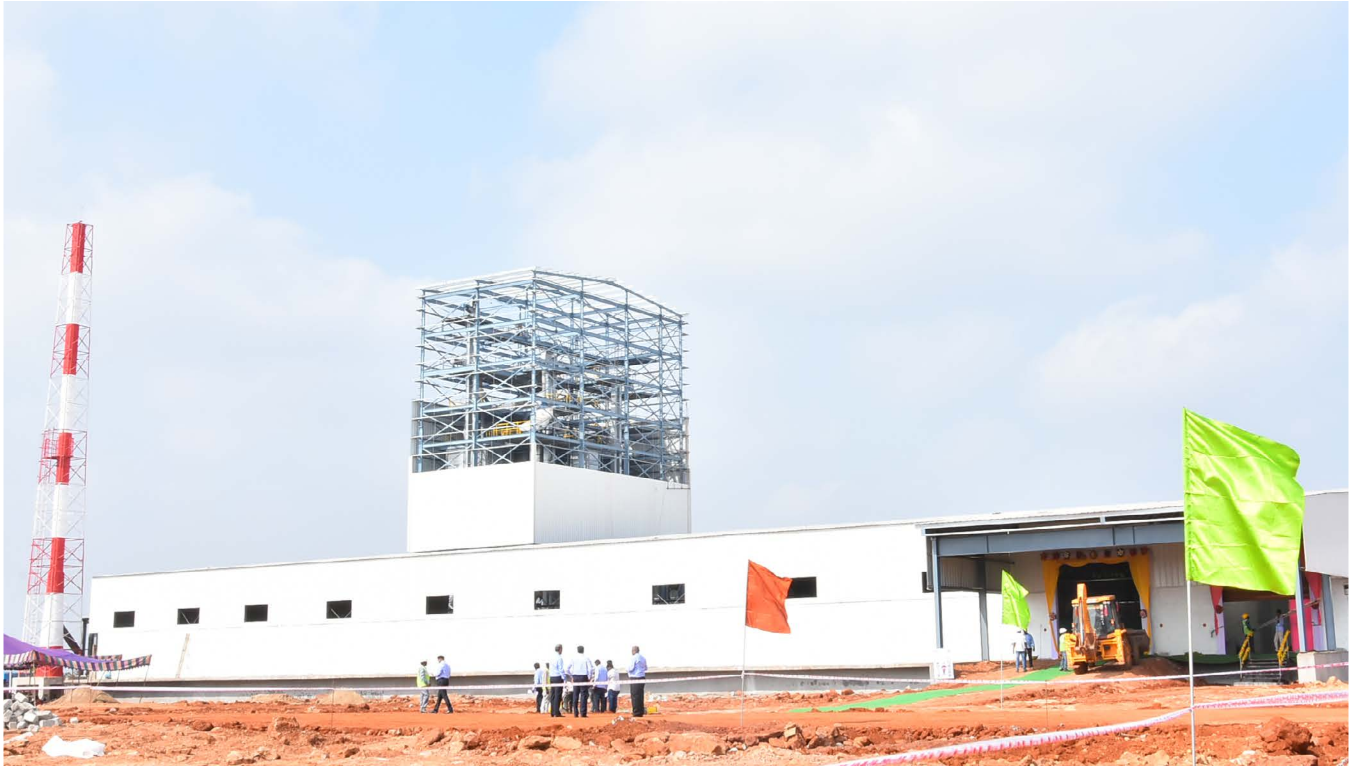
Sanjay Kumar Jain
Partner
Membership No.: 207660

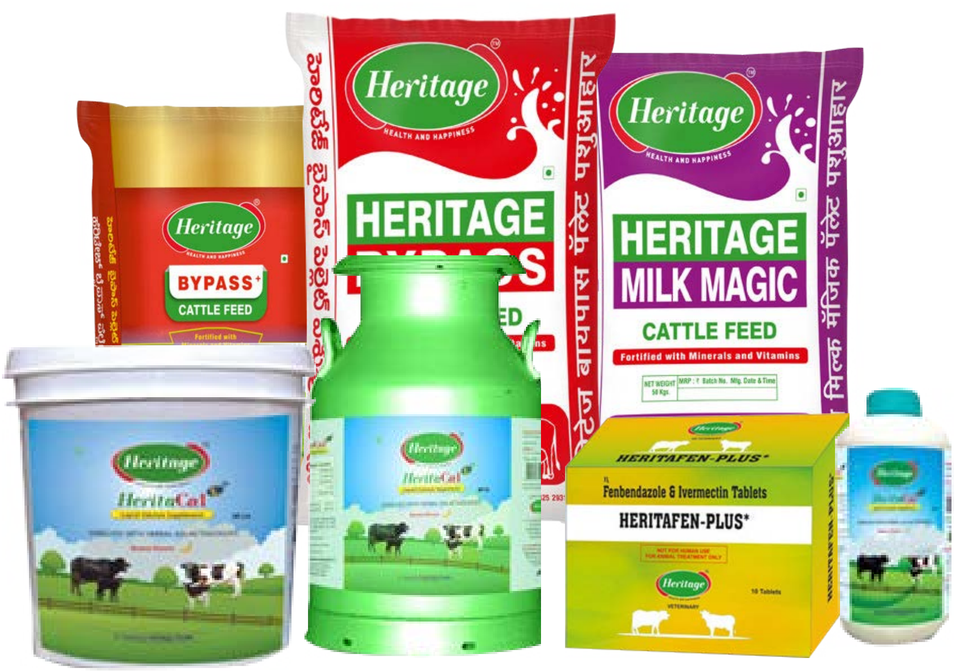
Place: Hyderabad
Date: 12 May 2021

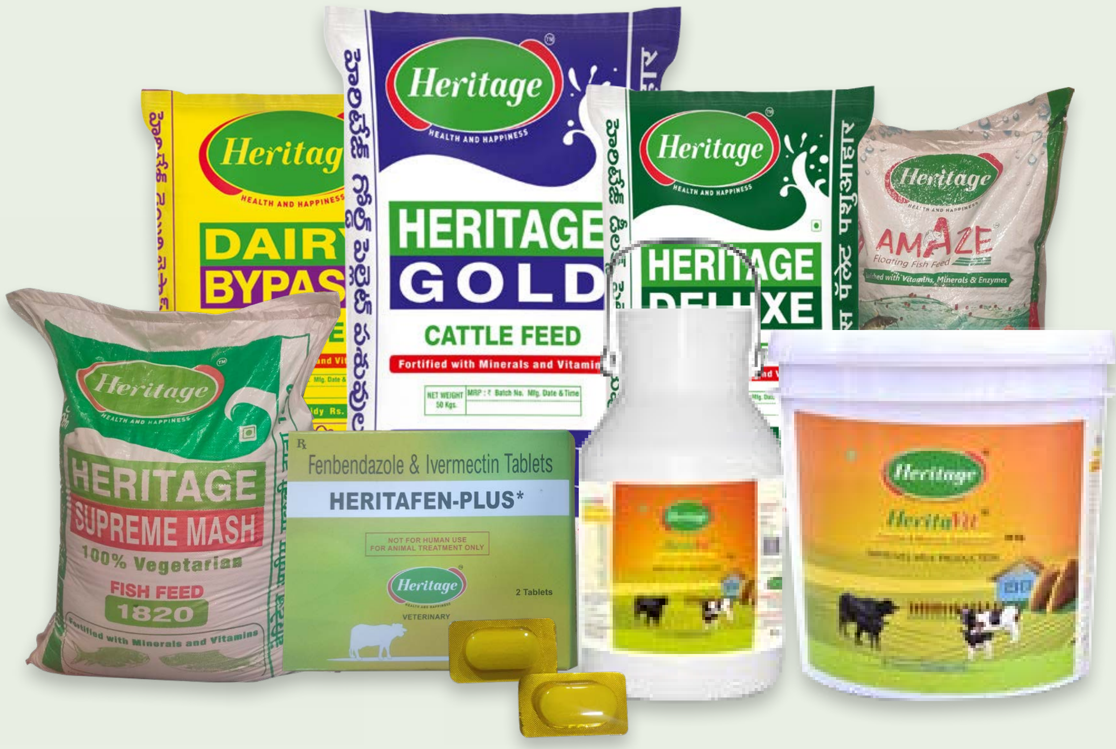
For and on behalf of Board of Directors of
Heritage Nutrivet Limited

N Brahmani
Managing Director
DIN: 02338940

M Sambasiva Rao
Director
DIN: 01887410




Heritage
HEALTH AND HAPPINESS
HERITAGE
MILK MAGIC
CATTLE FEED
Fortified with Minerals and Vitamins
BYPASS+
CATTLE FEED
HERITAFEN-PLUS*
Fenbendazole & Ivermectin Tablets
HERITAFEN-PLUS*



Heritage Nutrivet Limited

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